



中信银行  
CHINA CITIC BANK



2022

CHINA CITIC BANK CORPORATION LIMITED  
SUSTAINABILITY REPORT

## PREPARATION EXPLANATION

China CITIC Bank Corporation Limited (hereinafter referred to as "China CITIC Bank") has been releasing social responsibilities/sustainability reports annually since 2008. The *China CITIC Bank Corporation Limited 2022 Sustainability Report* (hereinafter referred to as "the Report") is the 15th consecutive report issued by China CITIC Bank.

<b>Reporting Scope</b>	The Report focuses on China CITIC Bank and covers the Head Office of the Bank and its domestic and overseas branches, as well as five subsidiaries including CITIC International Financial Holdings Limited, CNCB (Hong Kong) Investment Limited, CITIC Financial Leasing Co., Ltd., CITIC Wealth Management Corporation Limited and Zhejiang Lin'an CITIC Rural Bank. Unless otherwise specified, they are collectively referred to as "the Bank" or "we".
<b>Preparation Basis</b>	The basis for preparation of the Report includes <i>Guidelines on Preparation of Report on Company's Fulfillment of Social Responsibilities</i> and relevant notifications released by the Shanghai Stock Exchange ("SSE" hereinafter), as well as Appendix 27 <i>Environmental, Social and Governance Reporting Guide</i> (hereinafter referred to as the "ESG Guide") to the <i>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited</i> . The Report was prepared in accordance with the Core option of the <i>Sustainability Reporting Standards (2016)</i> issued by the Global Reporting Initiative ("GRI" <sup>1</sup> Standards" hereinafter) and was also prepared with reference made to the <i>Guidelines on Environmental Information Disclosure for Financial Institutions</i> issued by the People's Bank of China, <i>Opinions on Strengthening Social Responsibilities of Banking Financial Institutions</i> promulgated by the China Banking Regulatory Commission ("CBRC" hereinafter), the <i>Guidelines on Corporate Social Responsibilities of Banking Financial Institutions</i> promulgated by the China Banking Association ("CBA" hereinafter) and <i>GB/T36001-2015 Guide on the Preparation of Social Responsibilities Report</i> .
<b>Principles of the Report</b>	<p><b>Materiality:</b> The Bank identified key topics on sustainable development, made communication with stakeholders, performed the materiality assessment and sequencing procedures for such key topics, and disclosed relevant key topics based on their materiality levels. For details, please read "Identification of Key Topics" in Chapter I of the Report.</p> <p><b>Quantification:</b> The Bank measured and disclosed the applicable key performance indicators (KPIs) according to the relevant quantitative standards. The information on the standards, methods, assumptions and/or calculation tools used for the quantification of environmental data, as well as the sources of the conversion factors used, was disclosed in the appropriate places.</p> <p><b>Consistency:</b> Unless otherwise specified, the preparation, disclosure, and statistical methods as well as KPI measures in the Report are consistent with those of previous years. No changes have been identified that may affect their comparability.</p>
<b>Data Description</b>	The data in the Report was mainly sourced from the statistics of internal systems and the subsidiaries, and the disclosed operating data was sourced from the <i>2022 Annual Report (A Share) of China CITIC Bank Corporation Limited</i> (hereinafter referred to as the "2022 Annual Report"). Unless otherwise specified, for the purpose of the Report, denomination currency is Renminbi.
<b>Preparer of the Report</b>	The Report was prepared by the Board of Directors Office of China CITIC Bank, and the Bank is located in 6-30/F and 32-42/F, Building No.1, 10 Guanghua Road, Chaoyang District, Beijing.
<b>Reporting Period</b>	Unless otherwise specified, the reporting period, as covered by the Report, ranges from January 1st, 2022 to December 31st, 2022. Some information may have dated beyond the aforesaid time range.
<b>Responsibility of the Report</b>	The Report was deliberated and adopted by the Board of Directors, the Board of Supervisors and the senior management of the Bank. The Board of Directors and all directors of the Bank guarantee that the information contained herein does not include any false record, misleading statements or material omissions, and assume several and joint liabilities for its truthfulness, accuracy and completeness.
<b>Assurance of the Report</b>	PwC Zhong Tian LLP has carried out independent limited assurance of the Report and produced its independent assurance report thereof (refer to the relevant annex of the Report).
<b>Publication of the Report</b>	The Report was written in the Simplified Chinese. The Traditional Chinese version and the English version were translated based on the Simplified Chinese version. In case of any discrepancies among the versions, the Simplified Chinese version shall prevail.
	The Report is released in the two forms of printed and electronic edition and the electronic edition can be browsed or downloaded on the official website of the Bank ( <a href="http://www.citicbank.com/">http://www.citicbank.com/</a> ).

<sup>1</sup> GRI is the acronym for Global Reporting Initiative.

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## ABOUT US

### Profile

Founded in 1987, the Bank is one of the earliest emerging commercial banks established during China's reform and opening-up and also China's first commercial bank participating in financing at both domestic and international financial markets. A keen contributor to China's economic development, the Bank is renowned at home and abroad for brushing numerous track records in the modern Chinese financial history. In April 2007, the Bank simultaneously listed its A and H shares at the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

The Bank aspires to become a responsible, unique and valuable provider of the best comprehensive financial services with a human touch. To attain this development vision, it fully leverages on the comprehensive "financial + non-financial" platform advantages, and at the same time holds firm to its business concept of "customer orientation, reform driven, science & technology for growth, asset-light development, compliant operation, strengthen through talents". For corporate customers and institutional customers, the Bank offers integrated financial solutions in corporate banking business, international business, financial markets business, institutional banking business, investment banking business, transaction banking business and custody business. For individual customers, it provides diversified financial products and services in retail banking, credit card, consumer finance, wealth management, private banking, going abroad finance and e-banking. As such, the Bank satisfies the needs of corporate, institutional and individual customers for comprehensive financial services on all fronts.

The Bank has persevered in serving the real economy, engaging in stable healthy business operation and keeping abreast with the times. Thriving through 35 years' growth and expansion, the Bank has become a financial conglomerate with strong comprehensive competitiveness and powerful brand influence, registering more than RMB8.5 trillion total assets and over 60,000 employees. In 2022, *The Banker* magazine of the United Kingdom rated the Bank the 21st on its list of the "Top 500 Global Bank Brands" and the 19th on its list of the "Top 1,000 World Banks" in terms of tier-one capital.



### Awards

- The Bank ranked 21st among the "Top 500 Global Bank Brands" by *The Banker* magazine of the United Kingdom.
- The Bank ranked 19th on *The Banker* magazine of the United Kingdom's list of the "Top 1,000 World Banks" in terms of tier-one capital.
- The Bank was granted the "Interaction Award for Small and Medium-sized Investor Relations" by p5w.net.
- The Bank was named the "Model Unit in the Green Bank Evaluation" by China Banking and Insurance Regulatory Commission (hereinafter referred to as "the CBIRC") and China Banking Association.
- "CITIC Carbon Account" was selected into "Ecosystem Brand Benchmark Cases 2022" and CCTV "Global Corporate Social Responsibility Cases", and won the third session of the International Finance Forum (IFF) "Global Green Finance Award — Innovation Award" and the "Green Financial Pioneer Award" issued by Financial Society of Shenzhen Special Economic Zone.
- The Bank was awarded the "Most Socially Responsible Bank of the Year" by StockStar.
- The Bank was recognized as the "Excellent Case of Corporate ESG Inclusive Finance" by Xinhuanet and China Enterprise Reform and Development Society.

### 2022 Key Performance Indicators<sup>2</sup>

Key Performance Indicators	Unit	2022	2021
Total assets <sup>**</sup>	in RMB hundred million	85,475.43	80,428.84
Total profit <sup>**</sup>	in RMB hundred million	734.16	655.17
Value of social contribution per share <sup>**</sup>	in RMB	6.02	5.64
Loan balance of inclusive micro and small businesses	in RMB hundred million	4,459.92	3,668.67
Loan balance of green credit <sup>3</sup>	in RMB hundred million	3,340.82	2,054.25
Substitution rate for personal e-banking transaction volume	%	99.72	99.65
Purchased electricity <sup>**</sup>	in MWh	250,955.47	261,437.44
Outlets	in number	1,428	1,415
Self-service terminals	in set	4,967	5,397
Total employees	in person	57,023	55,419
Donations <sup>**</sup>	in RMB ten thousand	855.04	1,161.92
Volunteer activities <sup>**</sup>	in number of times	598	288

2 The data marked with "※" in the report was consistent with the data of the Group in the 2022 Annual Report of the Bank; the data marked with "※※" covered China CITIC Bank (including domestic and overseas branches) and its subsidiaries; unless otherwise specified, the data was all data at China CITIC Bank (including domestic and overseas) level.

3 The indicator for 2022 was measured as per the Notice by the People's Bank of China on Revising the Special Green Loan Statistics System (Y.F. [2019] No. 326). So it is not comparable to the data disclosed in previous years.

- The Bank was named the "Bank of the Year for Ageing Financial Service" by *Securities Times*.
- The Bank's rural revitalization case was selected into "Rural Revitalization Innovation Cases" by Financial Research Institute of People.cn.
- The Bank was honored as the "Excellent ESG Practice Case of Public Companies" by China Association for Public Companies.
- The Bank won the "2022 Cailianpress GWGM Awards – ESG Pioneer Award".
- CITIC Wealth Management's wealth management product "Duocaixiang ESG Fixed-income Enhancement One-year Regular Open No.1" was granted the "Best Innovation Practice Award" of 2022 "GF60 Green Finance Awards".
- CITIC Bank International Limited was granted the "Outstanding Award for Green and Sustainable Bond Lead Manager (Urban Construction Management and Investment Industry) Visionary Sustainability Bond Framework" by Hong Kong Quality Assurance Agency (HKQAA).
- CITIC Financial Leasing won the 2022 West Lake Forum Cup "Green Leasing Enterprise Award" sponsored by China Financial Leasing (West Lake) Forum.
- A staff of CITIC Bank International Limited was awarded the "Chief Executive's Commendation for Community Service" by Hong Kong Special Administrative Region Chief Executive.

## CHAIRMAN'S LETTER TO SHAREHOLDERS

Looking back to the past, we have never changed our original aspirations. Looking ahead to the future, we will share a common destiny. In 2022, the 20<sup>th</sup> CPC National Congress revealed China's grand blueprint for building a modern socialist country in all respects. China CITIC Bank always adhered to the strategies of the Party and the country. We fulfilled the political, economic and social responsibilities of a state-owned financial enterprise, actively promoted good practices in environment, society and governance (ESG) management, boosted high-quality economic and social development with financial power and contributed to the improved livelihoods of people.



### E – Environment | Implementing the carbon peak and carbon neutrality strategy to create a beautiful homeland

As China put forward the carbon peak and carbon neutrality goals, accelerating the development of green finance has become an irresistible trend for the sustainable development of commercial banks. Based on the new development stage and faced with the carbon peak and carbon neutrality goals in the new era, we fully supported the overall green and low-carbon transformation of the economy and society, worked together with all stakeholders to implement the concept of green development and forged ahead on the road of creating a beautiful homeland and protecting lush mountains and lucid rivers. **We capitalized on green finance to reduce carbon emissions in an all-around way.** Focusing on green industries, green customers, green products and green services, we set out to build a four-pronged green development system with CITIC characteristics. With the release of green financial momentum as an accelerator and innovation of green products as a shortcut, we constantly increased the supply of green finance, and through diversified financial products and services such as green loans, green leasing and green bonds, provided financial support for the comprehensive green transformation of the economy and society. **We promoted low-carbon business with the green operation.** We continuously strengthened the detection and management of carbon footprint, refined the timetable and roadmap for energy conservation and emission reduction, water conservation and waste reduction, took measures simultaneously in accelerating the building of online channels, promoting paperless office and advocating conservation-oriented consumption and green travel, encouraged the consumption reduction of natural resources such as water, fossil oil and forest, and actively advanced the all-round implementation of the "green operation concept". **We promoted the carbon reduction concept through green value.** We launched the "CITIC Carbon Account" and "Low-Carbon Wealth Card", focused on green behavior and scenarios, invited customers to participate in carbon emission reduction activities by science-driven measurement, actively publicized emission reduction behavior and concepts, encouraged green scenario-based consumption, and guided citizens to actively participate in the green transformation.

### S–Society | Fulfilling the corporate mission and demonstrating social responsibility

Upholding "finance for common good" and contributing to common prosperity are important goals for



the sustainable development of commercial banks. We always adhered to the people-centric philosophy, upheld the social responsibility concept of "come from society and give back to society", and strived to enhance the sense of gain and satisfaction of stakeholders with practical actions, thus demonstrating the mission and responsibility of CITIC staff. **We sought value for customers and committed to providing financial services with a human touch.** We embraced the philosophy of "finance for the people", followed the value of "customer orientation", implemented the "One CITIC, One Customer" philosophy, gave full play to the unique competitive advantages of CITIC Group's "full financial licenses" and "full industrial coverage", and strived to provide customers with comprehensive services "beyond finance". We took the initiative to cope with challenges arising from an ageing population, and made every effort to improve the service quality for the elderly. We increased financial support for enterprises with operation difficulties, and reduced service charges paid by micro and small enterprises and individual businesses, to provide significant support for enterprises to cope with external shocks and gather development momentum. **We strived for the welfare of employees to build the best employer brand.** We firmly believe that employees are the cornerstone of a bank's survival and development, unswervingly implemented the strategy of "strengthening the Bank through talent", upheld the talent philosophy of "uniting those men in progression, inspiring men of action and promoting men with achievement", strived to build a high-value compound talent team with outstanding professional and management competency, and built a diversified talent development channel, thus laying the personnel foundation for the Bank's high-quality sustainable development. **We made benefits for shareholders and strived to make long-term sustainable returns.** We attached great importance to the interests of shareholders, adhered to the principle of "safety, liquidity and efficiency" in accordance with the prudent management orientation of commercial banks, strived to balance risks, capital and benefits, continued to explore the best way to build a century-old bank, and created long-term trans-cyclical value for shareholders through high-quality sustainable development. **We shouldered our duty to society and committed to improving people's livelihood.** We remained mindful of the country's most fundamental interests, upheld the development mission of "implementing national strategies and contributing to national rejuvenation", made every effort to support the overall stable economic performance and high-quality economic development, and continued to channel more financial resources to key areas and weak links in rural revitalization. We innovated the practice of social assistance, continued to carry out targeted assistance in Tibet, Xinjiang, Gansu and other areas, and supported the development of quality education at rural schools in underdeveloped areas, thus fulfilling our social responsibilities as a corporate citizen with practical actions.

### G – Governance | Practicing coordinated development and improving governance quality and efficiency

Effective and sound corporate governance is the core of ESG management and the fundamental support for the sustainable development of commercial banks. We continuously improved our modern corporate governance structure and operation mechanism, reinforced governance systems and governance capacity, adhered to prudent operation, strengthened risk prevention and control, and strived to pursue high-quality development with high-quality corporate governance. **We improved the corporate governance system to support sustainable development.** We built a corporate governance architecture featuring "overall leadership of the Party Committee, strategic decision-making by the Board of Directors, supervision by the Board of Supervisors according to law, and implementation by the Management". Adhering to the principle of professionalism and diversity, the Bank continued to improve the composition of the Board of Directors, the Board of Supervisors and the Management, established a list of responsibilities, improved the duty performance evaluation mechanism, effectively promoted the effective role playing of all governance entities, and established a corporate governance structure featuring clear division of responsibilities, coordinated operation and effective checks and balances. **We advanced ESG management at the strategic level to boost sustainable development.** We pushed forward the high-quality and sustainable development as the core of governance, and made every effort to lay a solid foundation for the long-term stable development by focusing on ESG management. We strengthened top-level design and guidance, renamed the "Strategic Development Committee" under the Board of Directors the "Strategic and Sustainable Development Committee", and strengthened the coordinated promotion of ESG work. Besides, the Management gave full play to its role of implementation, and the Board of Supervisors diligently carried out special supervision, forming a favorable situation where the Board of Directors, the Board of Supervisors and the Management worked together to ensure proper ESG management. Thanks to joint efforts across the Bank, in 2022, we won the "Excellent Case of Practice ESG" award for Chinese listed companies, and became a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), further expanding our ESG practice. **We deepened the risk compliance management to prepare grounds for sustainable development.** We adhered to the systemic concept, comprehensively improved the risk management ability, effectively transmitted the robust risk appetite, and strived to build a risk management system that is effective in controlling risks and promoting development. Following the core concept of "keeping the path right and ensuring compliance", we planned, arranged and implemented the compliance culture fostering and business operation together, and comprehensively enhanced employees' risk concept and law-abiding and compliance awareness.

Ambitious goals require hard work and bold innovation. Facing the new journey, we firmly believe that following the path of sustainable development is the inevitable choice for China CITIC Bank to achieve win-win cooperation with all stakeholders. We will continue to be a responsible, unique and valuable provider of the best comprehensive financial services with a human touch, and proactively practice the ESG concept. We will promote the sustainable development path from the strategic level, improve the sustainable development mechanism from the governance level, follow the sustainable development plan from the implementation level, spare no efforts to advance sustainable development in the forefront, and make our due contributions to the realization of Chinese modernization.

**Zhu Hexin**

Chairman and non-executive director

March 23, 2023

## PRESIDENT'S LETTER TO SHAREHOLDERS

The year 2022 witnessed the acceleration of changes unseen in a century. Facing the complex and unpredictable international situation and domestic economic pressure, we upheld the new philosophy of innovative, coordinated, green, open and shared development, acted on a people-centric philosophy of development, stuck to political orientation and people-centeredness in financial work, and promoted the high-quality and sustainable development of the Bank with a higher political stance, broader vision and stronger sense of responsibility.



We remained mindful of the country's most fundamental interests, and contributed to maintaining overall stable economic performance. Finance serves as the lifeblood of real economy, and they two live and prosper together. Bearing in mind the mission of "implementing national strategies and contributing to national rejuvenation" during development, we kept serving real economy an even more prominent position, took the lead and acted as the main force to implement national strategies, and gave full support to ensuring the overall economic stability and high-quality economic development. In 2022, we took the initiative to target at key areas of economy, and channeled more financial resources into real economy by utilizing our comprehensive financial advantages. We put forward 29 practical measures to support the development of real economy, and the outstanding loans to inclusive finance, medium to long-term manufacturing and strategic emerging industries reached RMB446.0 billion, RMB202.3 billion and RMB424.2 billion, up about 22%, 35% and 37% respectively year on year. Meanwhile, we stepped up the financial support for enterprises in difficulties in a timely manner, innovated online business handling channels and management models, and reduced and exempted bank charges on micro and small enterprises and individual businesses. We took into account and responded to the needs of enterprises, constantly provided financial support in a spirit of mutual assistance, and backed them in cushioning external shocks and injecting impetus to development.

We vigorously developed green finance to help protect the lush mountains and lucid waters of the country. We are fully aware that the pursuit of the carbon peak and carbon neutrality goals is an epoch-making green revolution, which involves the comprehensive transformation of economy, industry and lifestyle. We are willing to embrace changes, resolutely apply the new development philosophy, fully integrate into the new pattern of development, keep up with the proposition of green development, and proactively boost the building of a "green bank". This is not only the requirement for development in the new era and social development, but also the necessity for banks' transformation and development. In 2022, we increased the supply of green finance. The balance of green credit exceeded RMB334.0 billion, the balance of green leasing approached RMB27.5 billion, green bonds underwritten totaled RMB5.5 billion, the investment in green bonds stood at RMB10.7 billion, and the scale of green wealth management products was nearly RMB3.0 billion. Furthermore, we proactively promoted the green and low-carbon concept, launched the industry's first personal carbon reduction account – "CITIC Carbon Account", encouraged green consumption among the general public, and made green consumption digital, visual, traceable and quantifiable, so as to facilitate the harmonious coexistence between human and nature and help realize the carbon peak and carbon neutrality goals. As at the end of 2022, over 680,000 CITIC Carbon Accounts were opened, reducing GHG emissions by more than 500 tons.

We gave strong support to rural revitalization and the building of beautiful villages. The year 2022 was critical to both consolidating and building on the achievements in poverty alleviation and promoting rural revitalization. We fully implemented the national rural revitalization strategy, focused on key areas including national food security strategy, rural industrial upgrading, new urbanization and financial services for new urban residents, and fully built CITIC Bank's specialized service capacity in rural revitalization. We strengthened business cooperation with national agricultural credit guarantee companies, rolled out exclusive products such as farmland construction loans and forest rights mortgage loans, launched "Forest Loan" and other agriculture-related products based on regional characteristics. The balance of agriculture-related loans reached RMB486.9 billion, an increase of 23%. We focused on key areas such as population/areas lifted out of poverty and industry-driven areas, granted RMB32.8 billion of targeted assistance loans and RMB16.1 billion of loans in previously impoverished areas, benefiting more than one million customers. We dispatched full-time and part-time officials to launch targeted assistance, closely integrated village development with farmers' interests, and promoted the development of rural industries. In 2022, we implemented a total of 190 paired assistance and charity projects, benefiting nearly 10,000 students with poverty alleviation through educational development. We appealed over 1.3 million people to donate their credit card bonus points through the Bank's platform "CITIC Love", and donated 200 "Dream Center" multimedia classrooms and supporting courses across the country, covering 28 provinces, municipalities and autonomous regions, and benefiting 160,000 teachers and students each year.

We kept supporting people's wellbeing and provided customers with a better life. "Customer orientation" is rooted in our cultural genes. We are deeply aware that customers give important support to us for building a good reputation and a world-class enterprise. By offering a human touch, we have established a heart-to-heart emotional bond with customers. Under the theme of common prosperity, we accelerated the layout of wealth management, launched the brand proposition of "the more we care, the more you gain", constantly enriched the product system, and achieved nearly RMB4 trillion of total retail assets under management, so as to meet customers' demand in an all-round way. We comprehensively released the full set of "CITIC Solutions" to rarely used Chinese characters to close the "digital divide" for tens of millions of people, developed consumer loan products aimed at helping new urban residents access affordable housing, and launched the senior-friendly transformation of outlets and APP to deliver more considerate services with a human touch. We have been committed to protecting the rights and interests of financial consumers and the security of our customers' financial assets. We established the "sentinel" retail anti-fraud risk control system, which intercepted and dissuaded nearly 1,000 customers who were defrauded, and avoided the loss of over RMB100 million. We also made targeted efforts to popularize financial knowledge through public education and publicity events on over 10,000 occasions, reaching more than 400 million financial consumers.

We constantly carried out staff care and supported their career development. Talented personnel are the most precious asset for banks. Entering the new era, we are committed to cultivating and encouraging more talents to dedicate themselves to the business of CITIC Bank. Adhering to the strategy of strengthening the Bank through talents, we have upheld the talent concept of "uniting those men in progression, inspiring men of action and promoting men with achievement", and kept the channels for employees' career development unblocked. In 2022, we completed the selection of the first batch of thousand talents for the "Hundred Ships and Thousand Sails" talent program, organized staff qualification examination for over 12,000 employees, and launched various training sessions for 824,000 people. The talent team kept growing and became stronger. We cared about the health and well-being of employees, and tried our best to protect their legitimate rights and interests. We innovatively built a platform for suggestions and recommendations called "Willing to Speak out" for the whole Bank, and established a whole-process opinion response mechanism which is responsive to all suggestions and opinions with transparent procedures, results available for check, and service evaluated. We handled over 4,700 questions and suggestions and effectively solved difficulties for employees.

We promoted the strategy of "science & technology for growth" and led the building of "digital CITIC". Digital transformation serves as the top priority of changing the traditional operation and service mode of banks, and is also the objective requirement for banks to enhance science-driven decision-making, improve service efficiency, and ensure financial security in the new development stage. Aiming at the development goal of building a first-class technology bank, we continued to increase strategic IT investment. In 2022, our IT investment reached nearly RMB9 billion, and the number of IT personnel exceeded 4,700, which laid the foundation for the establishment of "digital CITIC". Focusing on independent and controllable core technologies, we took the lead to secure an independent and controllable financial market application system, and contributed "CITIC Solutions" to the application of homegrown application software and architecture transformation in relevant fields. We struck a balance between development and security in digital transformation, effectively integrated blockchain technology, expanded the accessibility and secrecy of financial services through IT means, and continued to protect customers' information and asset safety. We vigorously advanced the integration among digitalization, business and technology, and stepped up efforts to cultivate more accurate insight into customers and the industry, match demands and products in a more intelligent manner, and provide optimal service and customer reach, shooting for a big difference in service experience.

Looking ahead to 2023, we are facing both strategic opportunities and challenges. We will directly face the difficulties, profoundly integrate in the new pattern of development, apply the new development philosophy in an innovative manner, safeguard national financial security through high-quality development, secure the people a better life by promoting sustainable development, and contribute our due share to building the modern socialist country.

**Fang Heying**

Vice Chairman, executive director and President

March 23, 2023

# HOLDING STRATEGIC LEADERSHIP AND PROMOTING SUSTAINABLE DEVELOPMENT

The UN Sustainable Development Goals



In its 2021-2023 *Development Plan of China CITIC Bank*, the Bank took high-quality and sustainable business development as one of the guidelines for its development. It focused on social demands, fulfilled economic, social and environmental responsibilities, and persevered in integrating economic, social and environmental benefits. The mission to “create value for customers, seek happiness for employees, make profit for shareholders and perform responsibility for society” is an epitome of the Bank’s sustainable development concept. We center on serving the real economy and the public, take care of employees’ growth, and jointly draw the visionary blueprint for corporate development with shareholders.

The Bank has set up a three-level sustainable development management framework consisting of the Board of Directors, the Senior Management and the Working Level to constantly advance the implementation of all aspects of the sustainable development work.

## Sustainable Development Management



**Board of Directors:** Serving to provide strategic guidance, the Board of Directors supervises and guides the work concerning key environmental, social and governance (hereinafter referred to as ESG) topics such as green finance, inclusive finance, rural revitalization, consumer protection, and data and privacy protection, includes relevant topics into the bank-wide strategic planning, and regularly evaluates the plan implementation. In 2022, the Bank renamed the “Strategic Development Committee of the Board of Directors” as the “Strategic and Sustainable Development Committee of the Board of Directors”, which is responsible for coordinating the building of the Bank’s ESG systems, deliberating ESG-related work reports, and promoting implementation of the ESG-related work.

**Senior Management:** The deliberative organs under the senior management are respectively the management organs of relevant ESG topics, and they are responsible for making and routinely managing the development plans on ESG-related topics.

**Working Level:** The Board of Directors Office set up an ESG management team, responsible for advancing the building of ESG-related systems and mechanisms, compiling sustainability reports, and planning and organizing ESG trainings and education campaigns.

In 2022, the Bank continued to explore and refine the building of the ESG management systems, set out to draw up the *Measures of China CITIC Bank Corporation Limited for Environmental, Social and Governance (ESG) Management*, and further optimized the ESG working mechanism. Interviews regarding ESG topics were conducted with major functional and business departments of the Head Office to learn about their work priorities, communicate situations about sustainable development risks and opportunities and concerns of stakeholders, and integrate the sustainable development concept into the department work. The *ESG Action Plan of China CITIC Bank Corporation Limited* was drafted, in which the Bank’s ESG mid/short-term development goals and implementation paths were identified.

In November 2022, the Bank officially became a supporter of the Task Force on Climate-Related Financial Disclosure (hereinafter referred to as TCFD).

## Statement from the Board of Directors

The financial and non-financial performance of the Bank are closely connected as they are both critical to the Bank's attainment of high-quality and sustainable business development. To this end, the Board of Directors supervises and instructs the sustainable development work of the Bank on all fronts and identifies the main tasks and priorities regarding ESG-related topics. The Board of Directors and the dedicated committee below regularly listen to management status of ESG-related topics and evaluate the work results. For information on the meetings held in 2022, please refer to "Performance and Evaluation" in Chapter II of the Report.

The Bank actively promoted to formulate the goals for ESG-related work, scientifically set goals for green operation, and initiated to make development plans on green finance in the year. For more information, please refer to "Developing Green Finance" and "Advancing Green Operation" in Chapter IV of the Report.

The Bank gave full consideration to ESG-related risks for its comprehensive risk management system, took its social and environmental influence into consideration in operation activities, and by speeding up a series of work, improved capabilities in climate risk management with increasingly clearer awareness that climate risk is an important risk. It was also dedicated to helping customers attain the goals of carbon emissions peaking and carbon neutrality as soon as possible and kept enriching its green investment and financing products to satisfy diverse customer demand. In 2022, the Bank achieved relatively rapid growth in the size of both green loans and green innovation products.

The mission of the Bank is to "create value for customers, seek happiness for employees, make profit for shareholders and perform responsibility for society". Based on that, the Bank has defined important stakeholders as customers, staff, shareholders and society (communities). Because of the particularity of the financial industry and the stricter supervision by the government in recent years, government has been identified as one of the important stakeholders of the Bank. As there are in fact a lot of procurement relations and the Bank is in a relatively advantaged position in negotiation, in line with the concept of joining hands with all sectors of society to realize sustainable development, the Bank has identified suppliers as important stakeholders.

Eventually, the stakeholders identified and recognized by the Bank include six key aspects, namely government, shareholders, customers, suppliers, staff and communities. As environment does not belong to certain organization or individual, it is not included as stakeholders and is only identified as an important object and topic of sustainable development.

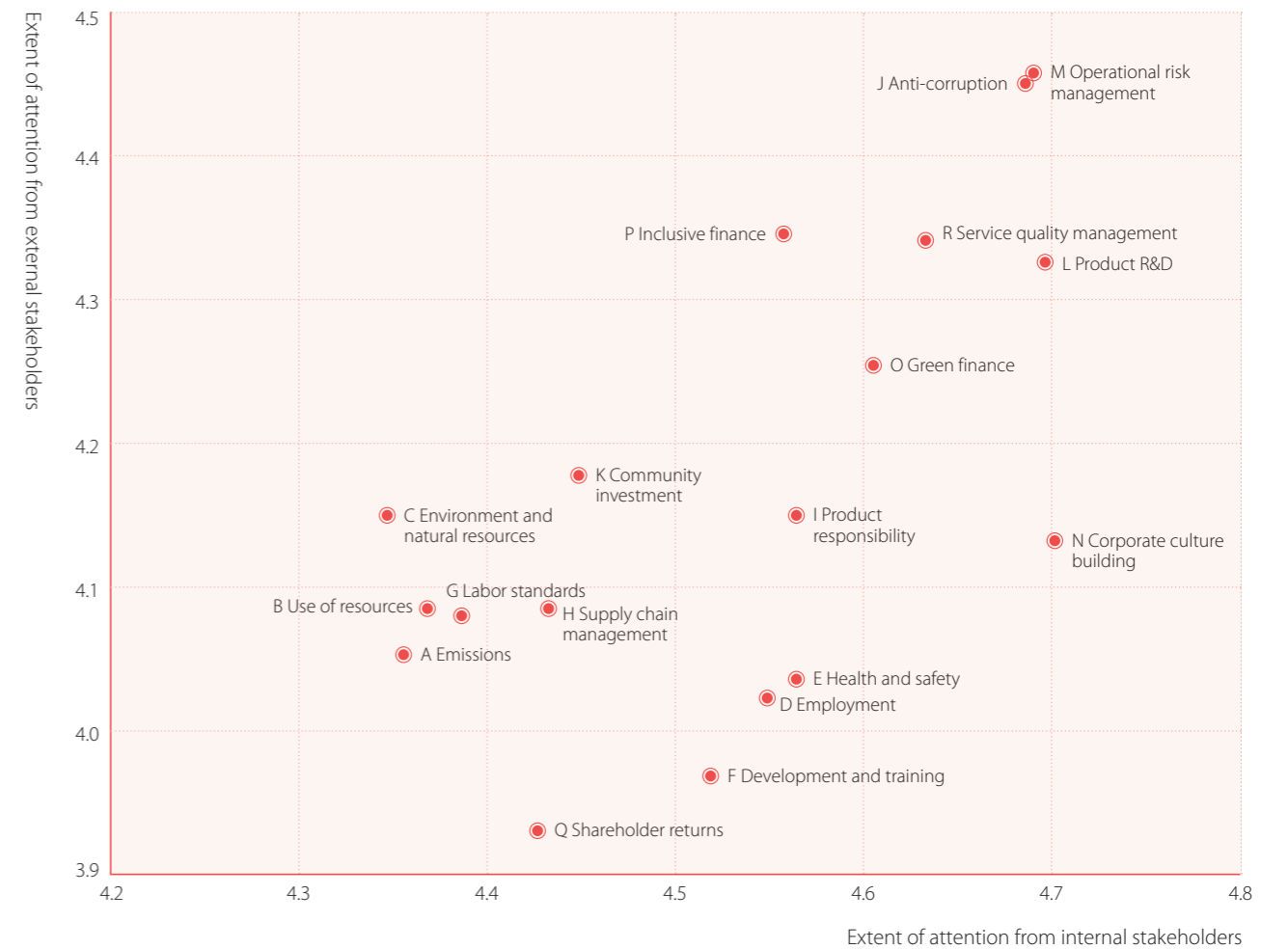


## Identification of and Communication with Stakeholders

## Identification of Key Topics

With the support of third party institutions, based on relevant articles of GRI and ESG criteria, the Bank developed 18 key topics on sustainable development, and evaluated the importance of the topics through a questionnaire survey conducted among external stakeholders such as government, shareholders, individual customers, corporate customers, interbank customers, suppliers, media and public benefit representatives as well as internal stakeholders including employees at all levels of the Bank. In this Report, there was no significant change in the substantive topics and their boundaries involved in the report of the previous year.

Distribution of Importance of Major Topics on Sustainable Development of the Bank



### Identification Table of Stakeholders of the Bank

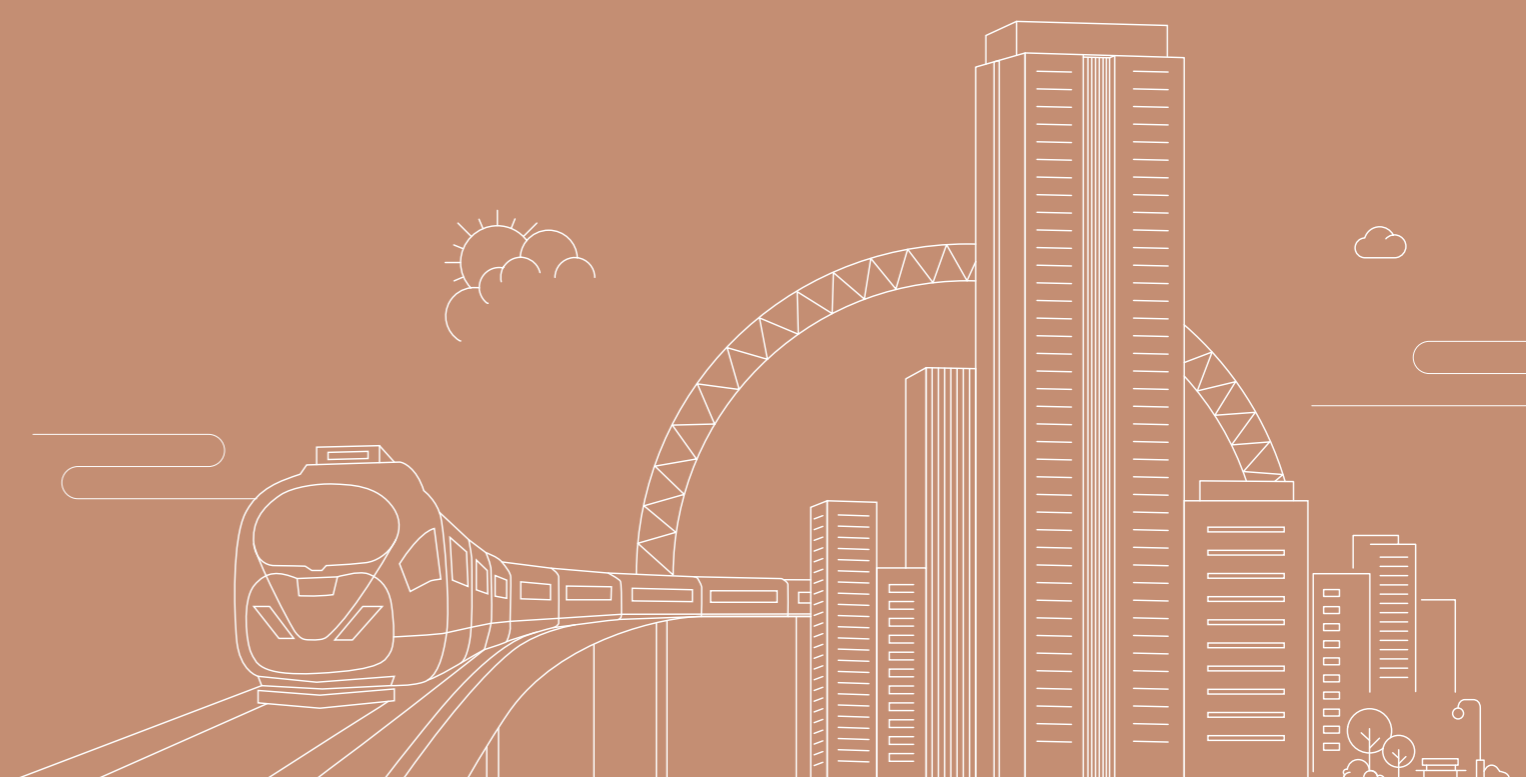
Stakeholder	Expectations as Understood by the Bank	Forms of Communication	Response Measures	Performance
 <b>Government</b>	<ul style="list-style-type: none"> <li>Compliance with state laws and regulations as well as industrial standards and norms</li> <li>Safeguarding safety of bank funds</li> <li>Fair competition according to law, and safeguarding a fair competition environment</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Laws, regulations, policy guidelines and normative documents</li> <li>Industrial meetings, special reports, regulatory announcements and ratings, and briefings</li> <li>On-site inspections and off-site regulation</li> <li>Symposiums, seminars and forums</li> </ul>	<ul style="list-style-type: none"> <li>Responded to government calls</li> <li>Implemented regulatory policies</li> <li>Participated in development of industrial standards and norms</li> <li>Improved operating and management performance</li> <li>Accepted regulatory evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Tax payment according to law</li> <li>Support to the real economy</li> <li>Steady improvement of operating results</li> <li>Remarkable management results</li> <li>Anti-corruption and clean governance</li> <li>Safeguarding a stable financial order, etc.</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>Standard corporate governance</li> <li>Higher return to shareholders</li> <li>Higher profitability</li> <li>Higher corporate value</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Periodical announcements</li> <li>Communication and exchanges with investors</li> <li>Road shows</li> <li>Results releases</li> </ul>	<ul style="list-style-type: none"> <li>Formulated and implemented development strategies</li> <li>Refined corporate governance</li> <li>Reinforced risk prevention</li> <li>Increased transparency of information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Better CSR management</li> <li>Higher social contribution value per share</li> <li>Lasting brand value</li> <li>Better operating development</li> <li>Internal regulatory ratings, etc.</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Provision of high-quality financial services</li> <li>Provision of high-quality financial products</li> <li>Provision of complete, truthful and accurate product and service information</li> <li>Safeguarding information safety</li> </ul>	<ul style="list-style-type: none"> <li>Outlets</li> <li>E-banking</li> <li>Marketing activities</li> <li>Salons and lectures</li> <li>Market surveys</li> <li>Result evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Provided convenient express financial services</li> <li>Diversified financial products</li> <li>Timely launched product &amp; marketing announcements</li> <li>Understood customers' comments and suggestions</li> <li>Strengthened safety and security of outlets</li> </ul>	<ul style="list-style-type: none"> <li>Survey of customer satisfaction and demand</li> <li>Better service quality</li> <li>Better customer experience</li> <li>Safeguarding customers' rights, etc.</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Compliance with commercial ethics</li> <li>Open, equitable and fair procurement</li> <li>Mutual benefit, win-win and common development</li> </ul>	<ul style="list-style-type: none"> <li>Publicly available procurement information</li> <li>Negotiations and exchanges</li> <li>Cooperation agreements and contracts</li> </ul>	<ul style="list-style-type: none"> <li>Set up and improved the supplier management mechanism</li> <li>Established and maintained a supplier database</li> <li>Reinforced communication and contact with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a centralized procurement center at the Head Office</li> <li>Formulation of relevant rules and regulations on centralized procurement management</li> <li>Establishment of partnership with suppliers, etc.</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Creation of jobs</li> <li>Reasonable remuneration and welfare</li> <li>Satisfactory work environment</li> <li>Smooth communication mechanisms</li> <li>Admirable room for personal career development</li> </ul>	<ul style="list-style-type: none"> <li>Employee representatives' congresses</li> <li>Labor unions</li> <li>Intranet emails and forums</li> <li>Internal meetings</li> </ul>	<ul style="list-style-type: none"> <li>Uniformly recruited employees</li> <li>Upheld equal pay for equal work</li> <li>Safeguarded staff health and safety</li> <li>Organized cultural and sports activities</li> <li>Protected essential rights and interests of staff</li> <li>Provided on-job skill training</li> <li>Listened to employee viewpoints</li> </ul>	<ul style="list-style-type: none"> <li>Realizing the role of labor union</li> <li>Staff performance evaluation for promotion purpose</li> <li>Health examination and psychological counseling for employees</li> <li>Diversified professional training sessions</li> <li>Employees arranged to go on leaves</li> <li>Symposiums with young employees</li> </ul>
 <b>Community</b>	<ul style="list-style-type: none"> <li>Care for vulnerable groups</li> <li>Communication on assistance</li> <li>Charity and public benefit activities</li> <li>Promote financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>Field surveys and visits</li> <li>Visit to assistance providers</li> <li>Visit to charity and public benefit organizations</li> </ul>	<ul style="list-style-type: none"> <li>Made outbound donations</li> <li>Implemented assistance projects</li> <li>Assisted vulnerable groups</li> <li>Promoted financial literacy</li> <li>Organized public benefit activities</li> </ul>	<ul style="list-style-type: none"> <li>More outbound donations</li> <li>Organization of targeted assistance events and public benefit and charity activities</li> <li>Participation in voluntary activities, etc.</li> </ul>





## IMPROVING GOVERNANCE AND UPHOLDING BUSINESS COMPLIANCE

The UN Sustainable Development Goals



### The Leading Role of Party Building in Development

The Bank integrated the Party's overall leadership into all aspects of corporate governance, kept exploring valid mechanisms and paths of combining the Party's leadership and modern corporate governance, and strived to improve the system, framework and capability of governance. The corporate governance mechanism of "overall leadership by the Party Committee, strategic decision-making by the Board of Directors, legal supervision by the Board of Supervisors, execution by the Management" was continuously refined. While ensuring the Party Committee could "steer the way forward, manage the overall situation, and guarantee the implementation", the Bank made sure all the governance bodies performed their duties assigned and responsibilities in coordination and balancing.

In 2022, to celebrate the 20th CPC National Congress and learn, promote and act on its spirit, the Bank organized a series of campaign events in celebration of both the 20th CPC National Congress and the Party's Day on July 1st, and launched an exhibition themed "Forging Ahead on a New Journey, Contributing to the New Era" to rapidly and continuously raise the wave of learning and learn the Party history in a routine and lasting manner. The Bank was granted the "2022 Award of Outstanding Case in Party Building Innovation" by *China Investment Network*; the Party Building Pavilion of Fuzhou Branch was named the "Financial Education Case on the History of Revolution" by the Research Association of Ideological and Political Work of China Financial Institutions.

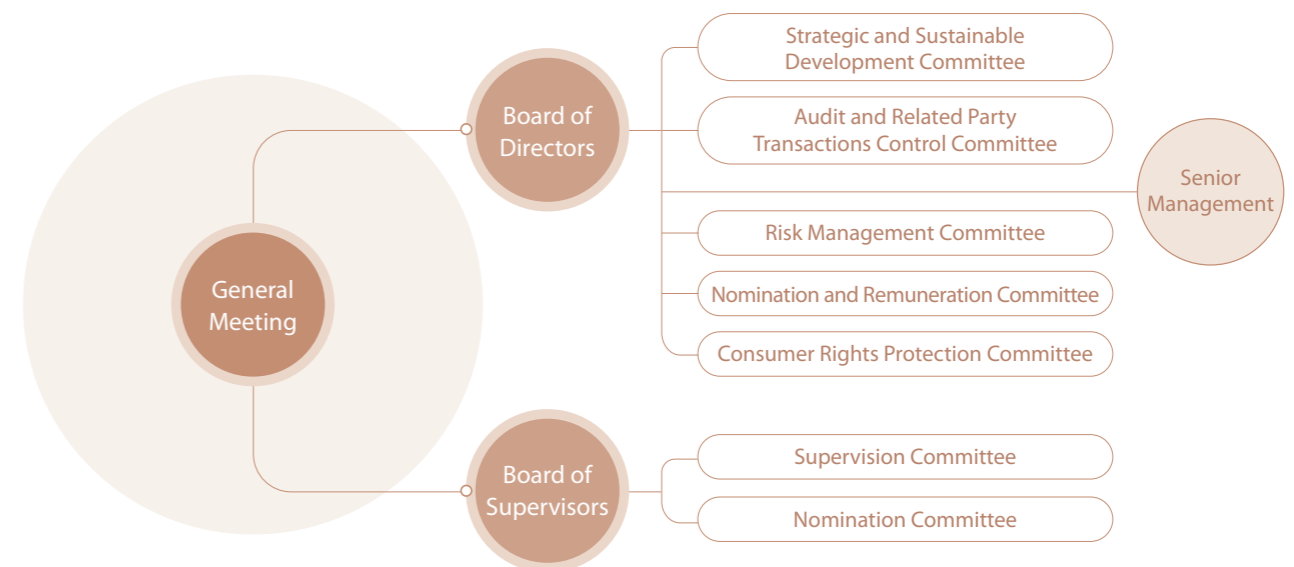
### Optimized Corporate Governance

#### Corporate Governance Framework

In 2022, the Bank carried out corporate governance and operation management strictly in accordance with the *Company Law of the People's Republic of China*, *Law of the People's Republic of China on Commercial Banks*, *Law of the People's Republic of China on Regulation and Supervision*

over the Banking Industry, *Code of Corporate Governance for Listed Companies*, *Corporate Governance Standards for Banking and Insurance Institutions*, and other relevant laws and regulations.

The General Meeting, the Board of Directors, the Board of Supervisors and the senior management constituted the Bank's corporate governance framework, with each performing their respective duties assigned and responsibilities in coordination and balancing to keep improving the efficiency of corporate governance and secure the foundation of stable and healthy development.



### Structure of the Board of Directors and the Specialized Committees

There were 5 specialized committees under the Board of Directors of the Bank, namely, the Strategic and Sustainable Development Committee, the Audit and Related Party Transactions Control Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Consumer Rights Protection Committee. As at the end of 2022, the Board of Directors had 11 members, including 3 executive directors, 4 non-executive directors, and 4 independent non-executive directors.



Specialized Committee	Number of Directors	Number of Independent Directors	Committee Chairman
Strategic and Sustainable Development Committee	5	1	Non-independent director
Audit and Related Party Transactions Control Committee	5	4	Independent director
Risk Management Committee	6	3	Non-independent director
Nomination and Remuneration Committee	4	3	Independent director
Consumer Rights Protection Committee	4	2	Non-independent director

### Independence of the Directors

As at the end of 2022, there were 4 independent non-executive directors in the Board of Directors of the Bank. Among the specialized committees under the Board of Directors, the Audit and Related Party Transactions Control Committee and the Nomination and Remuneration Committee both had an independent director as chairman and both had independent directors for the majority of membership. None of the independent directors of the Bank were independent directors in more than five domestic and overseas enterprises and none were independent directors simultaneously in more than two commercial banks. The qualification, number and proportion of the Bank's independent directors complied with relevant stipulations of the CBIRC, the CSRC, the SSE and the SEHK.

### Professionalism of the Directors

The members of the Board of Directors of the Bank were highly competent professionally in their respective fields. Among four non-executive directors, chairman Mr. Zhu Hexin had nearly thirty years of financial experience, and he had accumulated plenty of practical experience with rich theory knowledge. Mr. Cao Guoqiang had more than thirty years of bank working experience, as well as rich experience in finance management of large-sized state-owned enterprises. Ms. Huang Fang had rich experience in operation management of large-sized state-owned banks and once served as vice president and chief financial officer of large-sized private enterprises. Mr. Wang Yankang, as an accounting professional, had rich working experience in accounting, audit and state-owned asset management of large-sized state-owned enterprises. Among three executive directors, Mr. Fang Heying had thirty years of bank working experience, Mr. Liu Cheng

had rich experience in development and reform and finance, and Mr. Guo Danghui had thirty years of bank working experience. Among four independent non-executive directors, Mr. He Cao once served as the chairman and the president of large-sized state-owned enterprises, with rich experience in enterprise operation management. Ms. Chen Lihua is a professor of a famous university in China, an expert in supply chain and logistics industry. Mr. Qian Jun is a professor of a famous university in China, with in-depth research in fields such as financial system, financial system development and financial risk prevention. Mr. Liao Zibin, as an accounting and audit expert, is familiar with the accounting and corporate regulations and business practices in Chinese Mainland and Hong Kong SAR.

### Diversity of the Directors

The Bank paid attention to diversity of the directors, and the Board of Directors comprised members of different gender, age, culture, and professional background such as economics, finance, accounting, legal affairs, and audit. During nomination of the directors, the candidates were reviewed regarding their education background, work experience and part-time work for a diverse and complementary membership of the Board of Directors. As at the end of 2022, the Board of Directors of the Bank had 2 female directors, including 1 non-executive director and 1 independent non-executive director. The 5 specialized committees all had different directors as chairman.

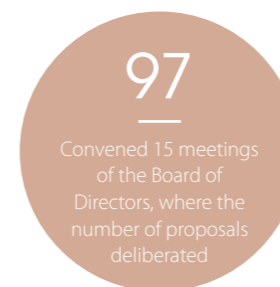
## Performance and Evaluation

### Performance of the Board of Directors

In 2022, the Bank convened 5 annual general meetings of shareholders, where 42 proposals were deliberated on and 6 presentations were listened to. It convened 15 meetings of the Board of Directors, where the Board deliberated on 97 proposals and listened to 42 presentations, and 39 meetings of the specialized committees under the Board of Directors, where attendees deliberated on 90 proposals and listened to 42 presentations. The Board and the specialized committees deliberated on and discussed a series of major ESG topics and practically performed pertinent duties such as green finance, inclusive finance, consumer protection and anti-money laundering.

The Board of Directors adopted the *2021 Annual Report*, *2022 Semi-annual Report* (ESG-related information such as inclusive finance, green finance and information security included in annual and semi-annual reports), *2021 Sustainability Report*, *Code of Professional Ethics for the Directors, Supervisors and Senior Management*, *Renaming of the Strategic Development Committee under the Board of Directors and Inclusion of the Duties in ESG Work Coordination*, *Strategic Data Planning* and other proposals after deliberation, and listened to the presentations such as development of inclusive finance in 2021 and work plan for 2022 and work report on consumer protection for 2021 and the first half of 2022. In doing so, the Board concretely performed its duties in ESG sectors and promoted the improvement of ESG management at the corporate governance level. The specialized committees under the Board deliberated on and listened to the aforesaid topics in advance according to their respective duties and proposed suggestions to the Board.

Regarding risk evaluation pertinent to social and environmental responsibilities, the management of the Bank presented to the Board of Directors the regular report on comprehensive risk management, *2021 Report on Information Technology Risk Management*, *2021 Work Report on Reputation Risk Management*, *2021 Report on Outsourcing Risk Evaluation*, work reports on internal control compliance and anti-money laundering for 2021 and the first half of 2022, and other



reports, involving ESG-related risks such as reputation risk, money laundering risk, supplier risk and protection of consumers' financial information security. The Board of Directors listened to the presentations and discussed on the information. It recognized the significant improvement of the Bank's risk management capability and the actual effects of consumer protection, and requested the Bank to continue with risk anticipation and deepen risk and compliance management.

**About Internal Communication:** The Bank put into place a mature mechanism of avoiding and controlling interest conflicts. The *Articles of Association* identified that directors of the Bank, who or whose contact persons have a stake in the matters subject to the Board resolution, shall recuse themselves from the deliberation process. They may neither exercise voting rights, do so on behalf of other directors, nor be counted in the quorum of the meeting concerned (unless otherwise specified by laws, administrative regulations and pertinent stipulations made by securities regulation authorities in the place of listing).

In 2022, there was no conflict of interest among directors of the Bank. In the event of a conflict of interest, the Board of Directors of the Bank will, according to disclosure requirements, clearly write down the specific numbers of affirmative votes, dissenting votes, and abstention votes in the voting results column of the resolution deliberated at the meeting of the Board of Directors, and state the reasons for casting dissenting votes or abstention votes (if any).

#### Performance of the Board of Supervisors

In 2022, the Bank held 11 meetings of the Board of Supervisors, which consisted of 4 meetings by the Supervision Committee under the Board of Supervisors and 2 meetings by the Nomination Committee under the Board of Supervisors. The Board of Supervisors adopted the Bank's *2021 Annual Report*, *2022 Semi-annual Report* and *2021 Sustainability Report* after deliberation.

The Board of Supervisors paid close attention to ESG-related work and made continuous efforts to enrich ways of supervision, broaden areas covered by supervision and improve supervision quality and efficiency. In 2022, on the basis of analyzing in depth the current status and problems faced by the Bank in ESG management, the Board of Supervisors issued a *Supervision Reminder Letter* on ESG management, where it systematically proposed opinions and suggestions on perfecting the ESG management framework, improving the management capability and stepping up the management concept publicity, etc. It also issued a *Supervision Reminder Letter* on the development of inclusive finance business, revealing problems and giving opinions and suggestions from a supervisory perspective to direct the management to optimize the assessment mechanism and promote the high-quality and sustainable development of inclusive finance business. Meanwhile, the Board of Supervisors visited branches to conduct the thematic survey on achieving stable economic performance, mainly to learn about the branches' progress in implementing the 29 measures of the Bank for achieving stable economic performance and promote them to greatly support the real economy.

#### Performance Evaluation

The Bank included ESG-related information such as green finance and inclusive finance into the evaluation standards for the directors, the supervisors and the senior management. Among the evaluation indicators for the directors and the supervisors was "whether they can take the guiding principles of the central government and regulatory requirements seriously and drive/supervise the Bank to carry out the principles and requirements in key sectors (including but not limited to inclusive finance, manufacturing, green credit, rural revitalization, strategic emerging industries, etc.)". The evaluation indicators for the senior management focused on whether related work of the

senior management (including but not limited to loans granted to sectors such as inclusive finance, manufacturing, green credit, rural revitalization, strategic emerging industries, etc.) complies with the guiding principles of the central government and regulatory requirements. The results of performance evaluation for the independent directors, the external supervisors and the senior management of the Bank were pegged to their annual remuneration or performance.

The Bank continued to improve the deferred payment system of performance-related pay. It formulated the *Measures of Management for Recourse and Deduction of Performance-related Pay*, which was applicable to the Bank and the subsidiaries at all levels and covered the entire senior management members and the directors and supervisors collecting performance-related pay from the Bank. For those in violations against regulations and disciplines and those in dereliction of duty, their corresponding performance-related pay was deducted according to the accountability decisions.

## Communications

### Results Releases

In 2022, we proactively innovated in the ways of communication with investors and held annual and semi-annual results releases to the public through the method of "live video streaming" for the first time. We introduced in details the Bank's general business performance and plans for future development to the investors, media outlets and the public, and actively responded to concerns of the capital market in a further opened and more transparent manner, receiving positive market feedback. The Q&A transcript of the results releases was available on the official website of China CITIC Bank and SSE e-interaction platform, while the conference videos were available for playback in multiple channels such as mobile banking live room and Wind 3C Conference. Videos of annual and semi-annual results releases cumulatively attracted 13,400 person-time and 22,000 person-time respectively.

### Celebration of the "15th Anniversary of Going Public"

In 2022, we held a two-week celebration of the "15th Anniversary of Going Public" themed "The Further Upward, The Brighter" both online and offline. We invited minority shareholders and securities analysts into the Bank for visits and exchanges, and videotaped and edited the highlights into short videos and H5 for the secondary transmission at online media platforms. Meanwhile, we extensively listened to shareholders' opinions and suggestions about the Bank's business performance and building of three core competencies online, further expanding out communication channels with minority shareholders.

### Daily Communication

In 2022, we staged a multi-dimension and multi-platform communication system with investors to maintain regular market communication. Throughout the year, we organized performance roadshows, received routine surveys and attended over 80 investment strategy conferences and investor forums, among which 38 were participated by the Management-led delegations. We continued to introduce to investors the Bank's strategic priorities and performance to guide their rational perception of the Bank's performance and keep building up the market understanding and recognition of the Bank's investment value. The Bank was granted the honor of "Best Practice in Results Release for the 2021 Annual Report" by China Association for Public Companies and the "Interaction Award for Small and Medium-sized Investor Relations" by p5w.net.





### Information Disclosure

In 2022, the Bank continued to develop internal policies and procedures in line with the latest regulatory rules, and revised the *Management Measures for Information Disclosure* and 11 supportive systems, further consolidating the compliance foundation of information disclosure. It published nearly 400 periodic reports, interim announcements and other documents at the SSE and the SEHK, totaling over 4 million characters. As at the end of 2022, the Bank was evaluated A for information disclosure of listed companies by the SSE for six consecutive years, winning the recognition of regulators for its work achievement.

## Comprehensive Risk Management

### Building of the Risk Management System

The Board of Directors of the Bank assumed ultimate responsibility for bank risk management, and its Risk Management Committee, as authorized by the Board of Directors, performed part of the responsibilities for comprehensive risk management. The Board of Supervisors undertook the supervisory responsibility for comprehensive risk management and supervised and inspected the duty performance of the Board of Directors and the senior management in risk management, and supervised the remediation. The senior management assumed the implementation responsibility for comprehensive risk management and executed the resolutions of the Board of Directors.

In line with the regulatory requirements, the Bank established a framework of policies and systems covering all kinds of main risks to satisfy its business development strategies, risk appetite and needs of risk management, guide and restrain risk management activities, and ensure execution of policies and systems with effective supportive mechanisms. In addition, the Bank put into place standardized and professional processes for developing risk management policies and systems, extensively solicited opinions of branches, related departments and experts for the drafting and revision of the policies and systems, and followed regular re-check and other procedures to make the policies and systems more accurate, feasible and operable.

The Bank set up “three lines of defense” for risk management. Business operation institutions at all levels and business management departments at the Head Office and branches were the first line of defense, assuming corresponding direct responsibility for risk management. Risk management departments at all levels constituted the second line of defense, responsible for developing policies and processes and monitoring and managing risks. Specifically, the Risk Management Department of the Head Office led the work in comprehensive risk management, including routine management of comprehensive risks and building of the comprehensive risk management system. The Audit Department and the Disciplinary Inspection Office were the third line of defense, with the Audit Department being responsible for auditing the duty performance by the first and second lines of defense and the Disciplinary Inspection Office responsible for holding relevant responsible persons accountable. The three lines of defense jointly undertook risk management responsibilities and were accountable for the results of risk management.

For more information about the Bank’s risk management, please refer to our *2022 Annual Report*.

### Environmental and Social Risk Management

The Bank integrated the evaluation of environmental and social risks into its credit and bond underwriting business processes.



### Credit Business

The Bank formulated the *Measures for Categorized Management of Environmental and Social Risks of China CITIC Bank Corporation Limited* (hereinafter referred to as the “Measures”), to evaluate credit customers in energy consumption, pollution, land, health, safety, resettlement, ecological conservation and climate change. Differentiated management was conducted for customers according to severity of their environmental and social impact. As requested by the Measures, at the stage of pre-lending investigation, targeted investigations shall be conducted according to industrial and regional characteristics of customers and their projects, and customers that failed to meet relevant requirements shall be barred. For credit use review, credit use can be suspended or till terminated for customers that were detected for major risks and hazards. For post-lending management, categorization shall be re-checked in time and stricter inspection requirements shall be practiced for high-risk customers.

### ESG Due Diligence

Close attention was paid to customer information including their environmental punishment, involvement in litigation, punishment for regulation violation, punishment and major changes of the senior management, layoff of employees, stability of upstream and downstream channels, supplier payments in arrears, timely repayment of principal and interest of financial institutions and those of bonds, etc. Meanwhile, customers’ production process, energy consumption, pollutant discharge, and impact of production and operation on ecological environment and biodiversity etc. were taken into full consideration. The Bank firmly implemented the one ballot veto system for environmental protection projects and made compliance with environmental requirements one of the credit use preconditions for customers suspected of high environmental and climate risks.

In inspection of customers’ environmental protection practice, the Bank focused on whether the customers suffered impact on operation or deteriorated solvency because of sanctions from environmental authorities for environmental problems or reported liability accidents or public opinion risks due to violation of environmental regulations.

### Bond Underwriting Business

For bond underwriting business, the Bank comprehensively evaluated various kinds of risks faced by issuers in industrial policies, safety in production and environmental protection, etc., and disclosed the information to bond investors according to the *Guide of China CITIC Bank for Due Diligence for Underwriting Business of Debt Financing Instruments* and the risk management requirements of regulators. Projects that failed to meet industrial policies, safety in production policies, environmental protection policies and other regulatory requirements were strictly controlled from application in principle.

1

For main business of issuers, the Bank mainly examined the issuers’ information in safety in production and environmental protection and conducted special due diligence for some industries of overcapacity.

2

For project financing, the Bank focused on the projects’ development plans and status and approval results for land, environmental protection and project initiation, and comprehensively investigated and analyzed whether use of the raised funds violated national macro-control policies and industrial policy requirements.

## Credit Policies for Relevant Industries

The Bank conducted credit business in line with the *Management Measures of China CITIC Bank for the Implementation of Green Credit*. It adopted the environmental "one ballot veto" system and took corporate compliance with environmental protection laws as a precondition of granting credit.

The *Credit Policies of China CITIC Bank in 2022* clarified the credit orientation in the sectors such as agriculture, energy, mining, exploitation of oil and natural gas, etc.



## Supervision and Review of ESG Risks

The Bank set up the Credit Approval Committee to review the entire credit and non-credit businesses. During the project review, the Credit Approval Committee took into full consideration customers' impact regarding social, environmental and climate risks.

**Environmental and climate risks:** Customers' production process, energy consumption, pollutant discharge, and impact of production and operation on ecological environment and biodiversity, etc were taken into full account. Compliance with environmental requirements must be clarified, which was made one of the preconditions for credit use for customers suspected of high environmental and climate risks.

**Compliance risk:** Factors to take into full consideration included whether customers' production and operation conformed to national policies, regulatory requirements, and industrial systems, whether results of their environmental impact assessment were up to standards, whether their compliance procedures were complete, etc.



**Technology risk:** For production-oriented enterprises, their technological and R&D advantages and the technical iteration risk were considered.

**Supply chain risk:** Factors to consider included main upstream and downstream enterprises and contracts and orders, availability of upstream and downstream channels, etc.

**Staff safety risk:** Punishment and major changes of the Senior Management, layoff of employees, etc. were taken into consideration.

Reputation risk, operational risk, etc.

## Adherence to the Bottom Line of Compliance

### Building of Compliance Culture

The Bank acted on the requirements of the Three-Year (2021-2023) Development Plan of CITIC Group on compliance culture to finish "cultivating, building and deepening" compliance culture in three years. It enhanced the compliance awareness of the entire staff, promoted the deep integration of compliance concepts and compliance behaviors and advanced the high-quality bank development. It put into place the "training, test, lecture tour, warning" four-pronged compliance culture promotion system to deeply cultivate a compliance culture atmosphere of "self-correction and strict compliance with moral standards" and to promote the integration of compliance culture into the whole process of the operation management.

It carried out the compliance culture development in a normalized way, organized the risk compliance culture activities for seven successive years, continued to promote the compliance concepts of "leadership under the senior management, driven at the middle level, based on the grassroots", and systemically promoted the compliance culture development such as the promotion of compliance concepts, early warning of typical cases and risk inspection of key fields, so as to cultivate good compliance ecology. In 2022, the Bank organized nearly 60,000 sessions of compliance training at multiple levels, and the Head Office and branches organized over 6,000 tour lectures and inspections. Regulatory updates, policy interpretation, experience sharing, etc. were pushed to the whole Bank through online channels such as WeChat official account and 5C platform, effectively combining the compliance trainings and daily work and further consolidating the foundation of compliance management.

The Bank had established and operated the internal control compliance 5C standard management platform, which comprehensively built the “last kilometer” for grassroots compliance culture development through five function models such as culture, internal control, compliance, inspection and remediation. Through special channels such as policy assembly, information and hot news, the Bank pushed more than 240 articles on regulatory policies, interpretation of new regulations and risk cases to the Head Office and branches throughout the year. Institutions at all levels of the Bank completed more than 140,000 management tasks such as warning educations, unannounced inspections and checking records at industrial and commercial administration authorities, judicial authorities and credit reference institutions, visiting customers, family members, employees and reading petition letters and complaints through the 5C platform, and improved the quality and efficiency of duty performance for internal control compliance management of the institutions at all levels of the Bank. The digital platform effectively supported and guaranteed the off-site issues.

The Bank established multi-level compliance training examination mechanism, and organized a large compliance examination of the Bank, which was divided into ten professional categories such as corporate, retail and financial markets, with focus on national micro policies, major regulatory policies and prohibited behavior regulations. The learning points were collated, and approximately 56,000 people finished the online learning examination throughout the Bank. As a result, the regulatory requirements in key fields were promoted. The Bank continued to carry out the learning examination and pre-job system training for “newly recruited, transferred and promoted employees” and dynamic tracking management, effectively improve the compliance duty performance capabilities of the “newly recruited, transferred and promoted employees”.

Trainee	Frequency	Main Content
Management personnel at various levels	Irregular	Industrial compliance updates and compliance management status of the Bank
Entire staff	Irregular	Key compliance requirements of the Bank and typical behaviors in violation
Employees of the compliance line	Once or twice a year	Important work requirements and advanced experience in review, authorization, accountability, rectification, case prevention, anti-money laundering, etc.
Personnel of all the business lines	Twice a year	Business compliance and employee behavior management
Newly recruited, transferred and promoted employees	Monthly	Business knowledge, internal control and compliance, anti-money laundering, employee behavior management and other basic requirements, as well as compliance culture concepts
Internal trainers on compliance	Annually	Refining training contents, making training courseware, using training tools, etc.

## Employee Behavior Management



The Board of Directors of the Bank assumed ultimate responsibility for the employee behavior management and promoted implementation of the management; the Board of Supervisors supervised and evaluated the performance of the Board of Directors and the senior management in employee behavior management; the senior management was responsible for implementing employee behavior management and executed resolutions of the Board of Directors. The Compliance Department of the Bank led the work in employee behavior management of the entire Bank and was responsible for coordinating, supervising and guiding the management; the management departments of business lines assumed the management responsibilities for the behaviors of the employees of this line and were responsible for organizing and implementing continuous monitoring, identification, records, processing, reporting and assessment of the risks in the behaviors of the employees within the jurisdiction; chief leaders of the branches and subsidiaries were the persons of primary responsibility for employee behavior management under their management.



The Bank established a comprehensive institutional system for employee behavior management, and formulated the *Detailed Rules of China CITIC Bank for the Prohibited Behaviors of Employees*, the *Code of Conduct of China CITIC Bank for Employees* and the *Interim Measures of China CITIC Bank for Grid Management of Employees' Deviant Behaviors* to specify the management requirements for employee behaviors. In 2022, to further strengthen the management of employee behaviors and advance the implementation of the bank-wide grid management system, the Bank released the *Measures of China CITIC Bank for Grid-based Point Management of Employees' Deviant Behaviors* to implement point management of employees' deviant behaviors.

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<p><b>Grid management:</b> The Bank comprehensively promoted the grid management mechanism, built the grid-based supervision management framework for employee behaviors in combination with the “seven horizontal and seven vertical” grids, and established more than 8,000 management grids, which effectively promoted to thoroughly monitor rule-violating behaviors in a timely way. Management was carried out from two perspectives, including employees' daily behaviors such as work performance, social activities and investment and consumption and business behaviors regarding customers, products, institutions, procedures, systems, etc. According to the results of point deduction, management measures such as more trainings, position adjustment and exit of employees were taken.</p>	<p><b>Risk inspection:</b> The Bank continued to carry out risk inspection in key fields and key personnel, promoted the working mechanism of “three inspections and four visits”, and carried out supervision and management of employee handling enterprises, criminal case and litigation involvement, improper capital transactions with customers, so as to inspect potential case risks.</p>	<p><b>Behavior monitoring:</b> The Bank independently developed an internal control compliance integration platform, developed an off-site monitoring model, conducted monitoring on abnormal transactions such as cash out of credit card, account lending, capital transition and misappropriation of customer funds, and continuously enhanced the technology empowerment of systems, so as to improve the quality and efficiency of inspection of employee behaviors.</p>



The Bank drew up the *Measures of China CITIC Bank for Anti-Fraud Audit and Management* to continuously standardize and enhance audit and supervision over employees' behaviors. With digitalized technologies applied to update monitoring approaches, the monitoring was mainly directed at fraud in duty performance and violations in areas such as onboarding of credit customers, credit application approval, assets disposal, centralized procurement, and remuneration & expenses.

The anti-fraud audit of employee behaviors of the Bank proceeded every year. Also, the audit was integrated into the special audit and economic responsibility audit by the Bank in 2022, paying special attention to key positions and the “critical minority”.



The Bank formulated the *Implementation Measures of the CPC Disciplinary Inspection Committee of China CITIC Bank Corporation Limited for Oversight and Discipline Enforcement*. The Measures included specific provisions on the acceptance, handling procedures, feedback mechanisms, and timeliness of handling for appeals of employees in disagreement with decisions of disciplinary actions. The separation of reconsideration and re-examination from examination and consideration and the banning of original examination and consideration personnel from reconsideration and re-examination helped protect the legitimate rights and interests of employees.

## Anti-money Laundering (AML)

### Institutional Building

The Bank abided by the *Anti-Money Laundering Law of the People's Republic of China*, the *Administrative Measures for Anti-Money Laundering and Counter-terrorist Financing of Financial Institutions in the Banking Sector*, the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks for Corporate Financial Institutions (for Trial Implementation)*, and other AML laws and regulatory requirements. Through internalization of external regulations, it put into place the three-pronged AML internal control system of "top-level policies + special policies + line-specific policies"<sup>4</sup> and formed a repository of internal and external AML policies.

### System Building

The Bank established an AML management framework with sound organization, a complete structure, and clear responsibilities, and included money laundering risk into the comprehensive risk management system.

The Board of Directors, the Board of Supervisors, and the senior management of the Bank undertook ultimate, supervisory and implementation responsibility for AML management respectively. The Board of Directors authorized its Audit and Related Party Transactions Control Committee and the Risk Management Committee to perform part of the responsibilities for AML internal control and money laundering risk management, and authorized the President of the Head Office to take charge of the AML work of the whole Bank. It set up the anti-money laundering leading group of the Head Office.

The Bank set up three defense lines of AML management. The business management departments at various levels, as the first defense line, focused on identification, evaluation and control and were directly responsible for AML management; the Compliance Department and the Risk Management Department, as the second defense line, were responsible for monitoring and reporting; the Audit Department and the Disciplinary Inspection Office, as the third defense line, focused on inspection, supervision over rectification, and verification. The three defense lines constituted the whole-process AML performance system. The subsidiaries executed the Bank's unified AML requirements and followed the principle of whichever is the strictest to establish AML internal control and management system compatible with their own risk conditions.

### AML Trainings

The Bank strived to raise AML awareness of all employees and kept improving the sense and capability of duty performance at all levels. It regularly organized AML trainings among the Board of Directors, the Board of Supervisors and the senior management to enable them to lead by example. In 2022, all members of the Board of Directors, the Board of Supervisors and the senior management attended two online training sessions on the *Opinions of the State Council on Improving the Mechanism of Supervision and Control of Anti-Money Laundering, Anti-Terrorism Financing, and Anti-Tax Evasion*, the *Anti-money Laundering Law*, and other topics. The Bank continued to organize the entire staff for the PBOC AML trainings, made ongoing efforts to enhance "online + offline" course

<sup>4</sup> Including the 2 top-level policies, namely the *Basic Rules for the Internal Control and Management of Anti-Money Laundering* and the *Management Policies for Money Laundering Risk*, the 28 special policies covering the whole process of identification, evaluation, monitoring, management and control and reporting of money laundering risk and also covering money laundering inspection and assessment, and the 32 AML line-specific policies.



### AML Publicity

development and enrich the form of training, and launched AML trainings for newly recruited, transferred and promoted employees and the "general examination on compliance" for all employees to help employees better understand regulatory policies and improve the AML level of employees at all levels. As at the end of 2022, the Bank organized 1,110 AML training sessions in total.

#### Externally

Keeping abreast with popular regulatory topics and the latest risk trend, the Bank combined AML publicity and consumer protection. In 2022, four publicity activities were organized, respectively themed in "combating online gambling and telecom frauds to keep money safe", "preventing illegal fundraising and combating telecom frauds", "keeping the real name for account to yourself and never lending it to others", and "safeguarding information security and boycotting money laundering", to raise AML awareness of the public.

#### Internally

The Bank used its intranet, the WeChat official account "CITIC AML", short videos, and other internal platforms to disseminate AML financial knowledge among all employees and boost AML awareness of the entire Bank.

## Integrity and Anti-corruption

The Bank strictly followed the *Provisions on the Implementation of the Responsibility System for Improving the Party Conduct and Building Integrity* of the CPC Central Committee, and made unswerving efforts to improve the Party conduct, build integrity, and combat corruption. Secretary of the Party Committee was the person of primary responsibility for the work, and other members of the Party Committee assumed main leadership responsibility within their scope of duty. The Disciplinary Inspection Office performed the responsibility of oversight, discipline enforcement, and accountability and served to fully oversee and support execution to promote and improve development.

The Bank formulated the *Measures of China CITIC Bank for Handling the Violations of Employees* and the *Implementation Measures of the CPC Disciplinary Inspection Committee of China CITIC Bank Corporation Limited for Oversight and Discipline Enforcement*, clarifying the disciplinary acts against employees' behaviors of offering and taking bribes, blackmail, fraud, and money laundering.

### Improvement of Party Conduct and Integrity

The Bank continued to improve the Party conduct and build integrity. It kept a close eye on the "key few", released the *Detailed Rules of Implementation for Enhancing the Oversight over Chief Leaders and Leadership Teams*, and refined the oversight and constraint mechanism. Thematic training sessions on discipline were given to mid-level management personnel, and main leaders of overseas operating institutions were organized for integrity talks, with regular educational reminders given. Ongoing efforts were made to correct the "Four Malfeasances", typical issues in violation of the Party's eight-point frugality code were rectified, and financial inspections and recheck of clues to problems were organized, after which the detected problems were solemnly handled. Before key-node holidays such as the New Year, the Spring Festival, the International Worker's Day, the Dragon Boat Festival, the Mid-Autumn Festival, and the National Day, the Bank organized reference to representative cases and gave reminders for clean holidays in firm implementation of the Party's eight-point frugality code.

### Warning Education for Integrity

In 2022, the Bank convened three bank-wide warning education conferences and one centralized warning education conference for newly appointed mid-level management personnel, organized

the entire staff to watch warning education videos, and lectured on typical cases in violation of discipline and regulations. Secretary of the Disciplinary Inspection Committee gave a Party lecture themed “strictly observing discipline, assuming responsibility” for the students of Voyage Program. The *Interpretation of the Important Parts in the Regulation of Communist Party of China on Accountability and Collection of Typical Cases* and the *Collection of Accountability Systems* were issued to all employees to safeguard the bottom line of disciplinary and legal compliance. The directors of the Bank participated in three warning education meetings organized by the Bank through onsite (video) methods, made comparison and in-depth reflection, and practically understood the laws and regulations, hold discipline in awe and safeguard the bottom line.

In the year, the Bank launched several electronic courses such as “disciplinary acts targeting three types of corruption cases”, the *Rules of China CITIC Bank for the Integrity and Self-discipline of Procurement Personnel*, “improving Party conduct, building integrity, and combating corruption in the new era”, “corruption crimes in state-owned enterprises”, and *Interpretation and Cases: A Deep Analysis of the Rules on Integrity and Self-discipline of the Communist Party of China* at the unified learning platform “e-Enterprise Learning” to all employees in the form of live streaming, online learning, etc., and a total of 4,895 person-time throughout the Bank studied online for a total of 3,718 hours.

#### Integrity Building in Overseas Institutions

The Bank kept reinforcing clean and compliant operation of overseas institutions and standardized supervision and management over key nodes such as overseas business strategies, investment management, key personnel management, and financial management. In 2022, 2 sessions of education on integrity and compliance were organized for staff stationed abroad to further consolidate the ideological defense line for clean operation of overseas institutions.

#### Petition Reports of Clues to Corruption

Following the principles of “practicality, avoidance, confidentiality”, the Bank established the mechanism of petition reports in good faith. Employees were advocated and encouraged to participate in the compliance and risk management within the Bank and proactively report compliance risks or violations that already happened or might happen. The legitimate rights and interests and personal information of the informants were protected.

#### Reporting Mechanism

The Bank made available multiple channels for tip-offs such as letters, phone calls, visits, and emails. In 2022, it set up a petition report department to take up and manage internal and external tip-offs on all kinds of violations against laws, regulations, and disciplines such as suspected bribery, blackmail, fraud and money laundering by employees of the Bank.

The Bank formulated the *Management Measures of China CITIC Bank for the Reporting of Anti-Money Laundering Violations*, which clarified the scope, principles, content, requirements, acceptance and investigation, and methods of reporting as well as accountability and reward. It activated channels of reporting violations of laws and regulations and made reporting mailboxes available. Once the violations were proven factual after investigation, related departments would hold the units or individuals in violations of laws and regulations accountable as their management authority allowed, and transfer those suspected of crimes to judicial authority by law. In 2022, no corruption lawsuit was filed and concluded with the Bank.

#### Protection of Informants

The Bank had in place a strict confidentiality system for informants’ information, which held informants’ names and content of reports strictly confidential, prohibited any revenge on informants and their family, and cracked down on infringements of informants’ rights to safeguard their legitimate rights and interests. In 2022, the Disciplinary Inspection Office of the Bank set a division for case oversight and management and a division for petitions and created full-time petition jobs to realize mutual coordination and mutual check among petition work, clue management and examination and investigation and further safeguard the legitimate rights and interests of informants.

## Intellectual Property Protection

As at the end of 2022

the Bank had **64** patents

including

42 patents for invention

3 utility model patents

19 industrial design patents



In accordance with the *Trademark Law of the People’s Republic of China*, the *Patent Law of the People’s Republic of China*, the *Copyright Law of the People’s Republic of China*, and other intellectual property-related laws and regulations, the Bank formulated the *Management Measures of China CITIC Bank for Intellectual Property (2.0 version, 2022)* and the *Work Program of China CITIC Bank for Scientific and Technological Intellectual Property*. We actively applied for and protected patents and copyright, combined the application for registered trademarks and brand protection, and continued our efforts in monitoring of trademarks and trademark opposition. Meanwhile, we encouraged employees to report in time the discovered suspected infringement of the Bank’s intellectual property after immediately taking necessary measures to keep evidence.

In 2022, we proactively safeguarded our own intellectual property and organized the bank-wide patent training themed “greater independent intellectual property and higher independent innovation capability” to raise the employees’ awareness of intangible assets protection. The number of patents of the Bank kept growing accordingly. The Bank organized the online roundtable training of CITIC Group themed “intellectual property protection” and launched trainings and publicity activities on topics such as mutual promotion between technological innovation and intellectual property and prevention of intellectual property infringement risk.

#### Copyrighted Software

The Bank remained committed to the use of copyrighted software and consolidated related work achievements. In 2022, it revised copyrighted software systems, and revised the *Management Measures of China CITIC Bank for Outsourced Software* to the *Management Measures of China CITIC Bank for Outsourced and Copyrighted Software* to clarify management requirements. Software asset management was enhanced and software records were updated and maintained to ensure completeness and accuracy of software asset data. The Bank deeply carried out the annual copyrighted software self-inspection, thoroughly proceeded with pertinent publicity activities, and gave the training on the use of copyrighted software to more than 35,000 person-time at the Head Office and branches throughout the year.

## Corporate Culture Construction

The Bank identified the six cultural cores of “hard work, responsibility, collaboration, agility, execution, and pragmatism”. In 2022, it continued to build the six cultural cores, and integrated them into the “Three Meetings and One Lecture”, themed Party days, theoretical study by the youth, various meetings, employee trainings, and cultural activities of the labor union and the Communist Youth League to boost the staff’s corporate cultural identity. We told more cultural stories of China CITIC Bank people and selected highlights from over 300 cultural stories collected from the whole Bank into the 6th volume of *China CITIC Bank People*, aiming to further foster the six cultural cores with typical stories.

Year 2022 marked the 35th anniversary of the Bank. We held a celebration conference, where we presented the 35th anniversary souvenirs to the employees working with the Bank for more than 30 years and organized activities to show gratitude for their loyalty and persistence. We also launched the “Discover the Beauty of China CITIC Bank” competition, which fully showed the charm of the Bank’s employees through “online voting and display platform” and covered not only employees, but also families, friends, and customers. The event collected over 1,000 works of photography, calligraphy, painting, and short videos, and registered more than 510,000 votes and over 800,000 person-time via online platform. The 35th anniversary celebration boosted the enterprising spirit of the staff of China CITIC Bank, and built up their cohesion, the sense of honor, and the sense of belonging.



# 3

## SERVING THE REAL ECONOMY AND SUPPORTING ECONOMIC DEVELOPMENT

The UN Sustainable Development Goals



### Supporting the Real Economy

In 2022, keeping in line with national macroeconomic policy, the Bank strengthened the support to national key areas including green credit, high technologies, manufacturing, infrastructure construction, rural revitalization and inclusive finance on its credit policy, and coordinated following national policy guidance, serving the real economy and optimizing credit structure, so as to highlight major businesses, promote the implementation of policies and continuously increase the credit.

01

It issued the *29 Measures of China CITIC Bank to Stabilize the Economy*, in which it proposed 29 measures in six respects including bailing businesses out of difficulties, increasing credit availability and providing ancillary support. It set up leading groups as well as working groups for stabilizing the overall economy, so as to coordinate and implement all works.

It enhanced the flexibility of examination and approval in regard to the real economy sectors, opened up green channels, continuously carried out studies on green finance and the real economy and built standard systems for examination and approval. It kept tracking the trend and development of advanced industries including new energy, NEVs, new materials and biomedicine, compiled 35 industry research reports, formulated or updated three standards (guidance) of examination and approval for green credit and 19 for manufacturing.

02

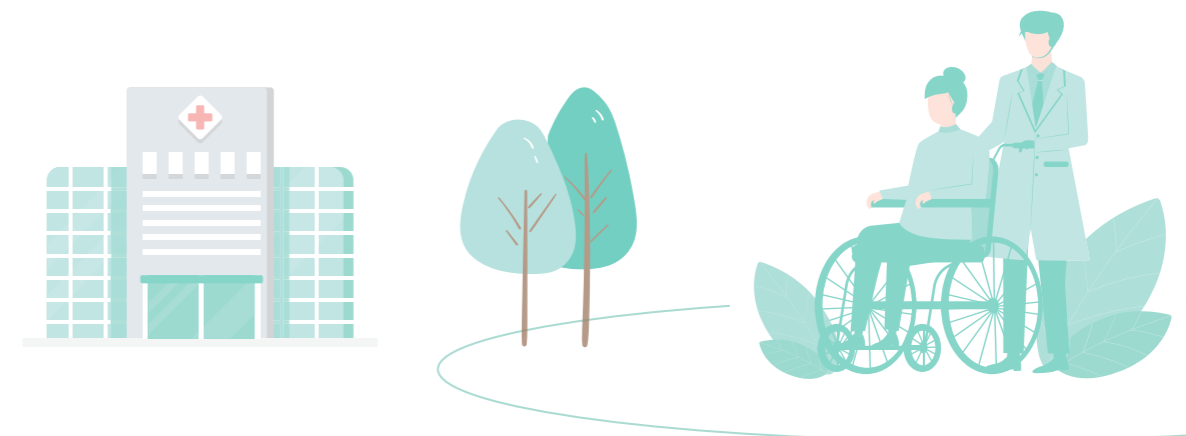
03

It rolled out a number of supporting measures, such as increasing carbon emission reduction, subsidies for scientific and technological innovation loans and other loans and performance appraisal. It also strengthened support to customers suffering temporary business difficulties due to special circumstances in terms of service process and methods and repayment arrangements.

### The First Medical Insurance Loan Was Launched in Branches

Case

In order to bail some designated hospitals out of financial difficulties and fully play the role of the government and financial institutions in supporting the companies to overcome difficulties, Lianyungang Branch, in cooperation with Lianyungang Medical Security Bureau, launched a financing product "Medical Insurance Loan". It formulated a medical insurance loan financing scheme for a chain pharmacy limited company in Jiangsu that meets both its needs and relevant management regulations, and allocated the first "Medical Insurance Loan" of RMB3 million for the Branch on February 18th, 2022. By deeply integrating business innovation and business development, Lianyungang Branch greatly supported local economic development.



## Supporting Strategically Emerging Industries

The Bank continuously intensified the support to new strategically emerging industries and attached importance to the cooperation with sci-tech companies. As at the end of 2022, the balance of loan to strategically emerging industries registered RMB424.21 billion.

- 1 It strengthened the cooperation with national leading private equity investment institutions, created a service model of "investment institutions + cooperative organizations + sci-tech companies" and provided comprehensive financial services for sci-tech companies that cover full life cycle and all business scenarios through innovative products such as point-based approval model that linking investment and loan.
- 2 It developed innovative supply chain products and supported sci-tech companies which have a stake in strategic customers supply chain, so as to address a great deal of micro and small sci-tech companies' difficulties in financing.
- 3 It made full use of its support efficiency in the debt capital market to channel funds to sci-tech innovation sector, and successfully issued the first sci-tech innovation notes (entity) and the first sci-tech innovation notes (purpose) in the interbank market.
- 4 It helped state-owned capital companies actively introduce foreign debt loans issued by foreign banks through domestic guarantee and foreign debts scheme to invest in the equity of sci-tech companies and other strategically emerging industries, so as to consolidate self-reliance and strength in science and technology.

### Launching the First Sci-tech Innovation Note in the Country

#### Case

In response to the requirement of National Association of Financial Market Institutional Investors on launching sci-tech innovation notes, Wuxi Branch, as the leading underwriter, issued the first sci-tech innovation note – "Wuxi Huaguang Environment Energy Group Co., Ltd. 2022 fifth ultra-short-term financing bond (sci-tech innovation notes)" worth RMB300 million on May 26th, 2022. In doing so, it set a good example in expanding the financing channels of sci-tech innovation companies and enriching financing services scenarios in sci-tech innovation sector.

## Supporting Infrastructure Construction

The Bank fully implemented national requirements on strengthening infrastructure construction and making moderately advanced investments in infrastructure.



It gave full play to the efficiency of local bond business in supporting infrastructure construction, increased bond investment as appropriate, and developed local bond projects in traditional areas such as water conservancy and transportation as well as in new infrastructure areas such as 5G, industrial internet and data centers, so as to help local governments raise funds for project construction.

It customized "351" exclusive service plan for construction industry, launched supply chain products such as CITIC E Financing, CITIC E Chain and CITIC Guarantee to address construction companies' demands for financing and settlement. As of the end of 2022, it has provided service plans for 5,580 companies and rolled out 6,292 products.

Together with the subsidiaries of CITIC Group, it provided companies with integrated services such as financial advisory, asset management, fund operation, investment and financing, custody and settlement, and promoted the public offering of REITs.

## Real Estate

The Bank firmly implemented real estate regulation policies and regulatory requirements stipulated by the CPC Central Committee and the State Council, acted on the principle that "houses are for living in, not for speculation", and put in effect the long-term real estate mechanism. In November 2022, it set up a "Task Force on Promoting the Steady Development of Real Estate" headed by the President. It issued the *Guiding Opinions on the Credit Investment of Key Businesses* to promote the steady and orderly development of real estate business.

It stabilized the loans to real estate development, placed equal importance on state-owned and private real estate companies, and distinguished between risks of real estate projects and risks of enterprise group. It met the reasonable financing needs of real estate projects in accordance with market-oriented principles and focused on supporting the steady development of real estate companies with sound governance, main businesses priority and good qualifications.

In accordance with the principle of market-oriented and the rule of law, in line with regulatory requirements, the Bank actively issued letters of guarantee to high-quality real estate enterprises to escrowed pre-sale funds used primarily for project construction and repayment of project debts. In 2022, based on the *Notice on Relevant Work of Commercial Banks Issuing Letter of Guarantee for Property Developers to Access Escrowed Pre-Sale Funds* (CBIRC [2022] No.104), the Bank formulated and issued the *Management Measures on Issuing Letter of Guarantee for Property Developers to Access Escrowed Pre-sale Funds* to carry out business in accordance with laws and regulations.

It carried out M&A loan business of real estate projects in a prudently and orderly way, and in particular, it supported high-quality real estate enterprises to merge and acquire projects of real estate enterprises in difficulty.

It took the methods of extension of existing loans and adjustment of payment arrangement to provide support under the premise of ensuring creditor's rights to promote project delivery schedule. It worked to support presold projects and encouraged additional financing support for projects supported by special loans. It actively carried out underwriting of bonds of high-quality real estate enterprises and assisted issuers of real estate bond projects with high debt repayment pressure to negotiate with the investors on the extension of bond.

It supported reasonable demand for individual housing loans and implemented differentiated housing credit policies according to each city's own conditions and guided the funds to give priority to supporting the construction of government-subsidized housing, long-term rental housing and other housing projects subsidized by national policies under the premise of compliance.

### Issuing the Double First Government-subsidized Housing Loans

#### Case

In implementing national policies on supporting the development of government-subsidized housing, Zhengzhou Branch granted a 25-year loan of RMB84 million to a subsidiary of a Zhengzhou real estate group, an entity with exclusive business of government-subsidized housing, thus taking the lead among joint-stock banks in Henan Province and among China CITIC Bank in issuing government-subsidized housing loan. In doing so, it made remarkable achievements in helping home buyers of rigid demand to ease their burdens in housing.

## Serving Regional Development

The Bank set up a Coordination Committee with the President as the director. Under the committee are four leading groups of regional coordination for the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area (the GBA) and the Chengdu-Chongqing region. In August 2022, in order to further strengthen the business of the whole bank in key regions, and promote regional integration and coordinated development, the Bank formulated the *Guidelines for Coordinated Development of Key Regions of CITIC*, so as to further clarify job responsibilities and working procedures.

### Supporting the Coordinated Development of the Beijing-Tianjin-Hebei Region

The Bank set up the coordinated development group and the working group of the Beijing-Tianjin-Hebei region, which are responsible for the promotion of business for the coordinated development of the Beijing-Tianjin-Hebei region. It formulated the *Three-Year Plan for the Coordinated Development of the Beijing-Tianjin-Hebei Region of CITIC* and supported the coordinated development of the Beijing-Tianjin-Hebei region by strengthening regional coordinated cooperation.

- It continuously followed up the cross-regional relocation arrangement of central government-owned enterprises, cooperated with the subsidiaries of the CITIC Group to provide comprehensive services for strategic customers including China State Construction, China Communications Construction, China State Shipbuilding Corporation Limited, COFCO and State Power Investment Corporation Limited, and participated in the construction of key projects such as Beijing-Tianjin-Hebei Intercity Railway Network, Beijing Daxing International Airport and Zhangjiakou Winter Olympics venues.
- It supported the development of regional programs in improving people's livelihood, such as launching a monitoring system for the wage payment of migrant workers. It pushed branches in the Beijing-Tianjin-Hebei region to contribute to digital transformation of medical centers and hospitals, provided smart campus services and fund supervision services of private education institutions for regional education departments and developed fund collection and payment system for central and local government funding.
- It provided high-quality financing services and intensified credit granted to areas such as reconstruction of housing units in run-down urban areas, industry upgrading and transformation, and ecological and environmental protection. It designed local bond issuance plan for government departments in the region and provided loans for equipment remodeling and upgrading to key universities as well as key hospitals.

### Supporting the Development of the Yangtze River Delta

Centering on the national integrated development plan of the Yangtze River Delta, the Bank remained committed to local market and gave full play to its synergy advantages in an effort to build the best enterprise in the region in terms of comprehensive services.

- Adhering to national strategies, it promoted in depth the implementation of projects in key areas, increased resource input in Linggang Special Area, supported the development of key industries in the G60 scientific and technological innovation corridor, and improved the institutional layout of the demonstration zone for eco-green integrated development in the Yangtze River Delta. It gave priority to supporting projects including "Water Town Living Room" - an integrated development program of the Yangtze River Delta, intelligent upgrading and digital transformation, the construction of utility tunnel in Taihu New City, and Huzhou-Hangzhou High-speed Railway.
- It actively participated in the building of digital government in the region and developed the fund collection and payment systems for local governments. It rolled out digital systems such as social security fund agency and wage payment for migrant workers, and launched special assets disposal and enterprise bankruptcy reorganization projects in Shanghai, Jiangsu and Zhejiang. It supported the informatization construction of key universities, and provided credit medical services for medical and health institutions in Shanghai that allow patients to pay after diagnosis and treatment.
- It provided "financing + intelligence" comprehensive financial services based on regional development characteristics, and offered financing services including bond issuance to key urban investment companies in response to national strategic projects such as the integration development of the Yangtze River Delta and the financial reform of the Shanghai Free Trade Zone. It provided local bond issuance design services for Zhejiang, Jiangsu, Anhui and other local governments, thus effectively supporting the construction of municipal engineering and industrial parks, transportation infrastructure, social causes, agriculture, forestry and water conservancy, and new infrastructure.

### Supporting the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (the GBA)

The Bank actively participated in the development strategies of industrial clusters in the GBA, deeply served industries with new driving forces, and supported the development of the GBA.



It doubled efforts to serve "little giants" that specialized in niche sectors, command high market shares and boast strong innovative capacity, moved faster to extend the coverage of the whole chain of sci-tech enterprises, and provided in-depth services to industries with new driving forces represented by new energy and new material so as to empower the growth of enterprises. It focused on key strategic industrial clusters, connected the whole chain of enterprises from upstream to downstream with a brand new supply chain ecosystem, and empowered advanced manufacturing through global transaction banking.



It helped regional development in terms of government finance, political and legal affairs, education and medical and health services, provided services to local governments in collecting and disbursing more than RMB170 billion from the State Treasury. By making full use of the GBA's advantages of fast innovation and abundant resources in special asset disposal and enterprise bankruptcy restructuring, it assisted local governments in putting idle assets to better use, boosting economic recycling and optimizing the business environment. It provided stronger support for key universities as well as medical institutions.



It innovated financial services, vigorously participated in the launch of offshore RMB local government bonds in Hong Kong and Macao and opened relevant investment channels, thus exploring new financing model for local governments. Meanwhile, in cooperation with Goldstone Investment Limited, and other institutions, it provided investment management and fund supervision services for industrial fund projects in biomedicine, Intelligent Connected Vehicle and other industries in the region.

## Supporting the Development of Chengdu-Chongqing Economic Circle

The Bank actively served the development strategies of Chengdu-Chongqing economic circle, deepened the strategic cooperation with local governments, enhanced the support for financing and investment, deeply integrated into the development of finance and industry in the region, and constantly improved the quality and efficiency in serving the real economy.



## Promoting the Development of the Belt and Road Initiative (the BRI)

In response to national development strategy of the BRI, the Bank deeply explored the Chinese enterprises' demands of investment and financing in all BRI participants, and provided them with comprehensive cross-border financial services schemes covering "settlement+transaction+financing+intelligence". It gave full play to the active role of cross-border finance in supporting the BRI development, so as to help Chinese enterprises go global.

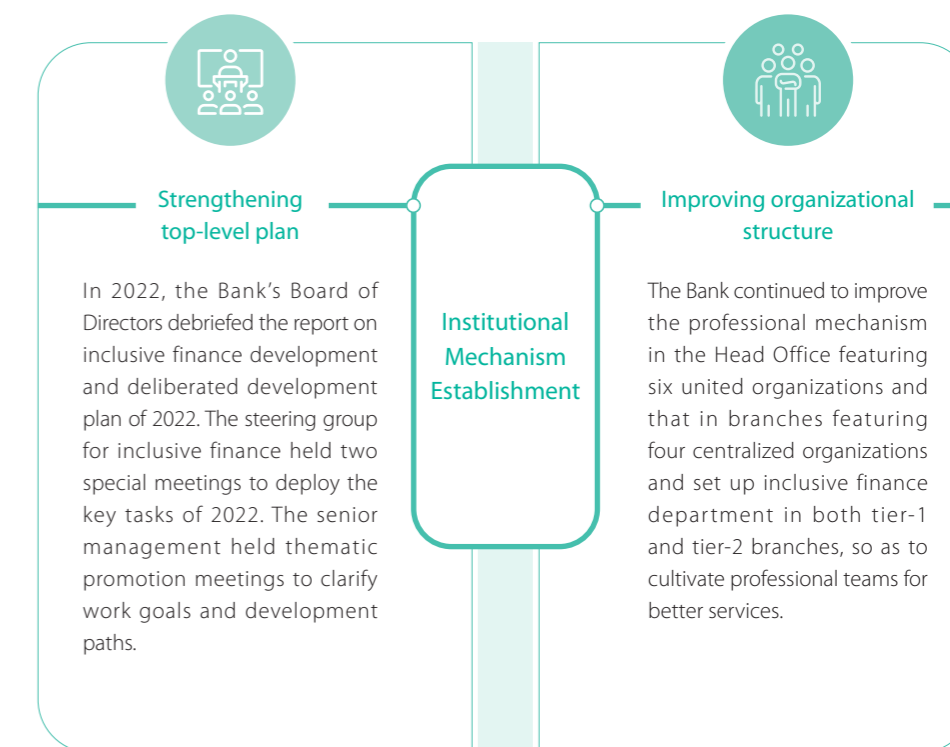
The *Credit Policy of China CITIC Bank in 2022* clearly stated that "the Bank will adhere to the strategic goal of coordinated regional development and promote the high-quality development of the BRI. It will focus on and actively support the construction of infrastructure projects within the BRI region. Centering on the actual situation of foreign-funded and foreign trade enterprises, it will

meet their needs of cross-border investment and financing for overseas projects through letter of guarantee or third party letter of guarantee." In 2022, the Bank issued a total of RMB13.9 billion of non-financing letters of guarantee for overseas projects, up 60.74% year on year, effectively supporting Chinese enterprises to participate in international economic and trade cooperation.

As at the end of 2022, the Bank has established cooperative relations with 502 banks in 76 BRI participants, among which 308 banks are in Asia, accounting for 61.35%; 128 in Europe, accounting for 25.50%; 30 in the Americas, accounting for 5.98%; 29 from Africa, accounting for 5.78%; and 7 from Oceania, accounting for 1.39%. In 2022, the Bank's cooperative businesses with the above mentioned banks in terms of, among others, international settlement and letters of guarantee amounted to nearly USD100 billion.

## Developing Inclusive Finance

The Bank gave full support to micro and small enterprises to relieve their burden and promote the steady and sound development of financial services for micro and small enterprises. It set up an inclusive finance management structure under which the Board of Directors is responsible for formulating strategic plans, the Board of Supervisors is responsible for supervision and assessment, and the senior management is responsible for implementation. As of the end of 2022, the balance of inclusive loans to micro and small enterprises stood at RMB445.992 billion, up 21.57%, 16.10 percentage points higher than the growth of all other loans. The number of customers with loan balance was 229,900, an increase of 48,200 from the end of the previous year.



### Policy Resources Support

- 1 Strengthening Planning and Guidance**

It separated inclusive credit plan of micro and small enterprises and broke it down to tier-1 branches, and increased credit support to Northeast and Northwest regions.
- 2 Improving Assessment and Incentive**

The proportion of inclusive finance indicators in comprehensive performance assessment in the branches accounts for over 10%. Allowances were given for FTP profit assessment, and incentives were set for the promotion of specific businesses as well as the fees for major marketing programs.
- 3 Implementing Extension Policy**

The Bank deferred the principal and interest payment in accordance to market-based principles for micro and small enterprises experiencing temporary hardship due to special circumstances and prompted notice and reminder on corporate online banking.
- 4 Enhancing Fee Reductions and Concessions**

The Bank turned “two prohibitions and two restrictions” set by CBIRC to “four prohibitions” so as to reduce and exempt commission fees for micro and small enterprises and individual businesses, and temporarily lowered the interest rate of inclusive loans in the fourth quarter of 2022 to eligible micro and small enterprises by one percentage point (annual interest rate).
- 5 Implementing Due Diligence Liability Exemption**

The Bank continued to improve due diligence liability exemption management system and other supporting systems, specified tolerant requirements for poor performance and implemented due diligence liability exemption for those eligible according to negative list. The proportion of due diligence liability exemption in 2022 reached 98%.

### Products and Services Innovation



The Bank moved faster in innovating financial services from offline to online then to on the phone and constantly improved online channels such as mobile banking, online banking and WeChat banking. It enriched products on corporate online banking, displayed straightforwardly inclusive finance loan products on the platforms, and launched intelligent guidance for customers operating, thus effectively improving user experience and service efficiency.



The Bank continued to optimize specialty product system of “CITIC Easy Loan” to effectively meet different financing demands of different customer groups. It launched “Scientific and Technological e Loan”, an online credit loan product, for micro and small enterprises that produce unique and novel products, rolled out “Order e Loan Data Model”, “Banking and Tax Supply Chain Model” and other innovative products for micro and small enterprises in the upstream and downstream of the supply chain, and optimized “Logistics e Loan”, “Tariff e Loan” and other financing services for micro and small enterprises in industries such as logistics and foreign trade.

### “Scientific and Technological e Loan” Supporting the High-quality Development of Micro and Small Enterprises that Produce Unique and Novel Products

Case

“Scientific and Technological e Loan” is an online, credit-based data credit financing service pioneered by the Bank for sci-tech enterprises that produce unique and novel products. The Hohhot Branch of the bank granted “Scientific and Technological e Loan” of RMB9 million for a photoelectric company in Chifeng, a national-level micro and small enterprise that produce unique and novel products. It took only two working days to complete the whole process from credit investigation to loan granting of this online financing service, timely supplementing the enterprise’s working capital for production and operation. Through targeted support, China CITIC Bank strongly supported the high-quality development of micro and small enterprises.





## GREEN DEVELOPMENT TO PROTECT LUCID WATERS AND LUSH MOUNTAINS

The UN Sustainable Development Goals



### Developing Green Finance

Keeping in line with national strategies, adhering to the green development philosophy of “carbon peak and carbon neutrality”, the Bank took active actions in response to climate changes, constantly improved the formation of green finance institutions and mechanisms, and doubled efforts to develop green credit, green bonds and other green finance businesses. In addition, it explored new ways for green financial products innovation, enhanced the comprehensive service capability of green finance and remained steadfast in the road of green operation, building itself into a green bank.

#### Strengthening Top-level Design

The Strategy and Sustainable Development Committee of the Board of Directors is responsible for the deliberation of the development strategies, objectives and reports of green finance, and the supervision and evaluation of the implementation of green finance. The Bank set up a green finance leading group headed by the President to make overall plan for the management and promotion of the whole bank’s green finance business, formulate strategies and objectives for green finance business development and guide the implementation of green finance business.

In 2022, the Bank held the green finance leading group meeting, which further clarified that developing green finance is an important development strategy of the Bank. At present, the Bank is gradually improving the organizational mechanism, mission objectives, medium-and long-term planning, resource allocation and other aspects of green finance. Through the joint efforts of all business sectors and deepened group synergy, the Bank is committed to building a comprehensive green financial services system in all respects.

The Bank formulated and issued the *Plan of China CITIC Bank on Building a Green Bank* and the *Guidelines of China CITIC Bank on Promoting Green, Low-carbon Economy and Circular Development*, defined the development path and risk management requirements of green finance business, and made more efforts in business promotion and product innovation.

In April 2022, CITIC Group issued the white paper on “carbon peak and carbon neutrality” goals. To vigorously integrate itself into CITIC Group’s low-carbon development strategy, the Bank initiated the preparation of China CITIC Bank’s development plan for green finance, set development targets for green finance, and built a green financial product system, thereby systematically promoting the comprehensive development of green finance.

#### Carrying on Exchanges and Cooperation

The Bank actively served the development of China Carbon Trade Exchange, and signed a strategic cooperation agreement with China Carbon Emission Trade Registration Agency (hereinafter referred to as the “China Carbon Registration”). In 2022, the Bank participated in the first anniversary celebration of China Carbon Emission Trade Exchange, and took proactive actions in signing the *Cooperation Agreement of Fund Settlement Business of Settlement Bank* with China Carbon Registration.

#### Strengthening Green Credit

The Bank actively supported and served the national goal of carbon peak and carbon neutrality. It supported the transformation of energy structure from fossil fuel to clean energy to increase the proportion of clean energy with zero carbon emission in the energy structure. It focused closely on the business opportunities in sectors such as NEVs and energy-saving technologies, provided financial support to enterprises carrying out carbon emission reduction programs and helped to peaking coal consumption as soon as possible. It supported green technology innovation, promoted clean production, developed environmental protection industries, and boosted green reform in key industries and key areas. As of the end of 2022, the Bank’s green credit balance stood at RMB334,082 million.



### Landing the First “ESG Performance Linked” Cross-border Syndicated Loan Project in the Country

Case

In June 2022, Guangzhou Branch issued the first “ESG Performance Linked Loan”, a cross-border syndicated loan, to an international holding company limited. For this loan, the enterprise’s ESG is embedded as a non-financial indicator in the credit assessment, which runs through the whole process of the credit business. Meanwhile, it sets up a mechanism for reducing the ESG target spread, as well as the KPI for greenhouse gas emissions, water consumption, and gender diversity for the next three years. ESG tests are conducted on December 31 each year. The interest rate will be reduced by 0.02% for each KPI achieved in the test, so as to encourage the sustainable development of the company.

### Credit Policy

The Bank’s credit policies for 2022 clearly stipulated its credit policies of green finance covering various sectors, which mainly include energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, green services, etc.



### Promoting the Application of Clean Energy to Support Green and Low-carbon Development

Case

Social and economic development proposed such a huge demand for clean energy that the gap between domestic natural gas supply and demand is going wider. As a clean and efficient energy resource, shale gas can be an effective complement to natural gas. In 2022, Guiyang Branch provided a credit of RMB1.24 billion to a shale gas project of an exploration and development company in Guizhou for shale gas exploration and development, which helps to improve the social energy environment and social ecological level.

### The First Carbon Emission Reduction Loan Issued by Branch to Promote the Transformation and Upgrading of Traditional Industries

Case

Technological innovation is the most direct and effective way to promote the transformation and upgrading of traditional industries. In 2022, Lanzhou Branch issued a carbon emission reduction loan of RMB200 million to an iron and steel company limited in Gansu for its headquarter 1#2# coal oven optimization and upgrading project. This project applied advanced coking technologies to enhance the efficiency of boiler (kilo), reducing the emission of various pollutants. The RMB200 million loan provided by the Bank contributed to the annual carbon emission reduction of 14,546.39 tons of carbon dioxide equivalence, strongly supporting the optimization and upgrading of the traditional manufacturing industry.

### Innovating Green Products and Services

The Bank actively responded to major national policies and strategies, constantly found new ways for business innovation, strengthened support for green finance, and promoted the development of green economy.



### Underwriting the First Batch of Transformation Bond in the Country

Case

On June 23, 2022, Shandong Iron and Steel Group issued RMB1 billion medium-term notes for transformation with the Bank as the main underwriter, raising funds for the construction of driving force upgrading and transformation. As the note is one of the first five transformation bonds in China, the Bank’s effort played a positive demonstration role in society in promoting the low-carbon transformation and development of iron and steel industry.

### Green Finance

CITIC Wealth actively promoted green value and made breakthroughs in developing green finance products. In 2022, the Bank launched 9 products themed on ESG and green finance. As of the end of 2022, there are 12 green themed wealth management products in existence, with a scale of RMB2,996 million.

#### Launching the First Domestic Cross-market ESG Stock Index Formulated by a Wealth Management Subsidiary of a Bank

Case

Together with China Securities Index (CSI), CITIC Wealth Management Corporation Limited (CITIC Wealth Management) created the “CSI & CITIC Wealth Management ESG 100 Index of the Coastal Core Economic Belt”. The index selects 100 securities with quality, value and good ESG performance among the listed companies in Shanghai, Shenzhen and Hong Kong as index samples. Through the combination of national strategies, ESG evaluation system and traditional multi-factor strategy, it provided diversified investment schemes for investors.

In January 2022, CITIC Wealth Management issued “Colorful Image ESG Fixed Income Enhancement No.1”, a one-year wealth management product with the index as a performance benchmark, raising RMB718 million. This product won the “Best Innovation Award” in 2022 “GF60 Green Finance Award”.

### Green Leasing

As a financial leasing company specialized in green financial leasing business, CITIC Financial Leasing Co., Ltd. (CITIC Financial Leasing), with its advantages and expertise, focused on three sectors of new energy, new material and new environment, actively supported photovoltaic, wind power, energy storage, hydrogen energy and other fields, speeded up the development of residential distributed photovoltaic business, and promoted the development of green ships and intelligent ships. As of the end of 2022, the balance of green leasing accounted for nearly 60%, or RMB27,474 million.

#### Financial Leasing Supported the Low-carbon Development of Inland Waterway Transportation

Case

CITIC Financial Leasing is committed to supporting the green and low-carbon development of shipping sector. In June 2022, it provided financial leasing for a cruise company in Chongqing with regard to its green inland waterway cruise “Century Victory”. Powered by electric system and jointly dispatched through an intelligent power station, the cruise effectively reduced fuel consumption and harmful gas emission, and is certified as a green cruise by China Classification Society. CITIC Financial Leasing provided financing funds for green ships with financial leasing products to help the low-carbon development of inland waterway shipping.



### Carbon Neutrality Structural Deposits

With its strength in product design, the Bank launched the first carbon neutrality rate bond linked structural deposit in China. As of the end of 2022, it launched 11 carbon neutrality structural deposits products with a total value of more than RMB1.13 billion.

### CITIC Carbon Account

#### Building “CITIC Carbon Account”

Case

CITIC Carbon Account, launched on April 22, 2022, is the first personal carbon account product in the industry.

Based on the key fields of energy conservation and emission reduction, CITIC Carbon Account focuses on five scenarios of green finance, green travel, green energy, green recycling and green retail. It accumulates personal carbon emission reduction through scientific measurement method to make green consumption digital-based, visible, traceable and quantifiable, thus guiding residents to move towards green consumption. The Bank developed the carbon emission reduction methodology for financial scenarios that are applied for 9 scenarios on credit card and debit card and embedded in CITIC Mobile Banking and Mobile Card Space. As of the end of 2022, the accumulated number of CITIC Carbon Accounts reached 681,000 and the accumulated greenhouse gases emission reduction reached 536.52 tons. It established “Green-CITIC-Sink” Low-carbon Ecological Alliance, with which the first group of cooperative enterprises included 15 enterprises such as Huawei, Tencent, JD.COM, UnionPay, VISA, CITIC Academy and Dah Chong Hong Holdings.

CITIC Carbon Account was selected among CCTV “Brand Strengthen Nation” broadcasts brands, 2022 “Ecosystem Brand Benchmarking Case”, CCTV “Global Corporate Social Responsibility” and other cases, and received several awards including “Global Green Finance — Innovation Award” of the third session of the IFF and “Green Financial Pioneer Innovation Award” by Financial Society of Shenzhen SEZ.





## Low-carbon Wealth Card

### Issuing Low-carbon Wealth Card

Case

In November 2022, the Bank issued “Low-carbon Wealth Card”, a debit card themed on green and low-carbon, which is made of environment-friendly material PETG. The card owners can also activate “CITIC Carbon Account” to accumulate carbon emission reduction of their low-carbon actions. Meanwhile, they can enjoy several rights and interests such as exemption of account opening fees and account management fees, RMB transfer and remittance via Mobile Banking, award for consumption through resigned green scenarios, and new customers can participate in activities such as new customer gifts, happy new customer gifts and wealth level gifts. The Bank actively promoted the green and low-carbon transformation of social lives, so as to make concrete contributions to the national “dual carbon” goals.



## Conserving Biological Diversity

The green development path with man and nature coexisting in harmony is an inevitable choice for China to pursue high-quality development. The Bank actively participated in biodiversity conservation projects and channeled more financial resources to the fields of biodiversity conservation, so as to highlight the “brand temperature” as a responsible bank.

The Bank signed the *Joint Declaration of Banking Sector to Support Biodiversity Conservation*, pledging to make contributions to reversing biodiversity loss over the next decade.

### Granting Credit to “Coral Guardians” to Protect the Coral Sea in Sansha

Case

Coral reefs serve as the “coast guardian”, playing an important role in protecting coast and balancing marine ecosystem. However, in recent years, crown-of-thorns starfish, a natural enemy of coral reef, has overpopulated because of overfishing, causing great damage to corals. In May 2022, Haikou Branch gave credit support to Youran Fishermen’s Cooperative in Sansha Ganquan Island, of which the funds were used to capture crown-of-thorns starfish. It is of great significance in improving the coverage of coral reefs in the Parcel Islands and Spratly Islands to maintain ecological balance in the South China Sea.

## Green Finance Training

The Bank’s “E Learning” provided special training of green finance for all employees, including online courses such as *Following the Guiding Principles of the 19th CPC National Congress and Practising Green Development Philosophy to Build a Beautiful China*, *Marketing Case - Environmental Protection and Green Relocation Project of W Steel Company*, *Improving Ecological Environment and Promoting Green and Low-carbon Development*, *Marketing Case - Outward Documentary Bills After Export Insurance* and *Promoting Green Development with Harmonious Coexistence Between Man and Nature*. A total of 29,402 person-time attended the online courses with accumulated learning time of 34,906 hours.



## Responding to Climate Changes

### Climate Risks Management

The physical risk<sup>5</sup> and transition risk<sup>6</sup> generated by climate change were transmitted to the financial system through the real economy, which may exert an impact on the financial stability, which was manifested in the following six aspects.

Risk Type	Climate Risk Factor
Credit risk	Due to damage to the real economy caused by extreme weather and natural disasters, the collateral of the Bank may be depreciated. During the decarbonization and carbon reduction of enterprises, due to increase in enterprise operation costs caused by equipment upgrade and technology iteration, the solvency of enterprises may be affected.
Market Risk	Due to adverse impact of climate change on market prices of bonds, stocks and commodities, the value of bank assets may be affected.
Liquidity risk	Due to loss to the real economy brought about by climate change, banks may be unable to acquire adequate funds with reasonable financing costs to meet liquidity management requirements.
Operational risk	Due to damage to infrastructure and interruption of supply chain caused by extreme weather, the business continuity of banks may be affected, or banks may fail to adapt changes in public policies and rules and regulations in a timely manner.
Reputational risk	Negative public opinions that are unfavorable for climate and environment improvement may cause damage to reputation of banks.
IT risk	Due to unavailability of original technologies and equipment or damage to data infrastructure caused by climate change, banks may be under financial loss and information security risk.

The Bank actively studied and explored the transmission mechanism of climate risk and other risks, and grasped the market opportunities during the national transition to green, low carbon and environment-friendly society by practically implementing the "carbon peak and carbon neutrality" strategies, vigorously developing green finance and enhancing business and product innovation.



- 01 Top-Level Design**  
 The Bank integrated the green transition to its development strategy, and formulated the *Plan of China CITIC Bank on Building a Green Bank* to take the prevention and response to climate risk as keys to green banking development.
- 02 Organization Guarantee**  
 The green finance management promotion work team of the Bank was responsible for improving the green finance management system and promoting the building of ESG management system mechanism, so as to improve the environmental risk management policies and procedures and enhance the environment and climate information disclosure.
- 03 Risk Control**  
 The Bank formulated the *Measures for Categorized Management of Environmental and Social Risks of China CITIC Bank Corporation Limited*, explored to establish the environmental and climate risk identification, assessment, measurement, monitoring and stress test system, and gradually incorporated climate risk into the risk management system.
- 04 Capacity Enhancement**  
 The Bank closely monitored the domestic and overseas regulatory policies for climate risk, timely optimized the countermeasures for climate risk, strengthened the professional study of key industries, attached great importance to the impact of environmental and climate changes on the industry, and improved the scientificity and forward-looking perspective of business operation and risk control. It paid continuous attention to the advanced methods for climate risk management and constantly improved the capabilities for environmental and climate risk control.

<sup>5</sup> Physical risk includes risks that may cause depreciation or damage to assets due to sudden extreme weather, natural disasters, climate pattern long-term changes, as well as ecosystem loss.

<sup>6</sup> Transition risk includes risks caused by public policy changes, technical breakthrough, market sentiment changes, and commercial mode innovation.

## Carrying out Green Operation

### Stress Test

To actively cope with complex internal and external risk status, the Bank carried out a series of stress tests in 2022, including but not limited to solvency stress test, real estate special stress test and internal capital assessment stress test, and conducted prudent assessment of multiple fields related to effectiveness of ESG system under stress scenarios. It continuously improved the methodology of stress test, improved the automation level, enriched the stress testing scenarios, and strengthened the prudence of risk judgment.

The Bank actively studied and complied with the requirements of the *Environmental Protection Law of People's Republic China* and the *Law of the People's Republic of China on Energy Conservation*, formulated the *Guiding Opinions on Green Office of China CITIC Bank*, and implemented national policies and requirements on energy conservation and environmental protection. It promoted measures related to green operation and constantly managed environmental footprints in five sectors of energy, carbon emission, water consumption, paper consumption and waste, in an effort to reduce resource consumption and pollutant emissions.

### Environmental Objectives

<p><b>01 Energy-Saving and Carbon Reduction Objectives</b></p> <p>The Bank will gradually establish and improve an energy-saving and carbon reduction policy management system, improve the internal carbon management through capacity development, cultivate the carbon awareness of employees, and comprehensively reduce the carbon emission caused by routine operation and office. The Bank will choose LED lamps when adding and changing lighting lamps, and will strengthen management of official vehicles to promote green transportation. The Bank will constantly improve the operation efficiency, and optimize the power use efficiency to the best.</p>	<p><b>02 Waste Reduction Objectives</b></p> <p>The Bank will require professional institutions to process various garbage, and will deliver all the waste electrical and electronic equipment of the Bank to the manufacturers with relevant environmental protection qualifications for processing.</p>	<p><b>03 Water-Saving Objectives</b></p> <p>The Bank will consistently improve the refined water resources management and gradually improve the use rate of water-saving appliances, and will fully select water-saving appliances when adding and changing water equipment for the headquarter building by 2025 and will carry out water-saving promotion activities throughout the Bank.</p>
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In the future, the Bank will further strengthen the identification and management of carbon footprint, refine the timetable and road map of energy-saving, carbon emission, water-saving and waste reduction, and support to achieve the objectives of "carbon peak and carbon neutrality" ahead of schedule.

## Green Operation

### Energy Management

The daily energy consumption of the Bank mainly comes from fuel consumption of official vehicles, natural gas for restaurants and kitchens, air conditioning, lighting, etc. The Bank adopted a number of energy-saving measures to promote carbon emissions reduction in operation.



### Water Resource Management

The Bank continuously refined water resource management, promoted the use of water-saving appliances, and strengthened the maintenance and repair of water equipment. Break rooms were equipped with drinking fountains and the filters were changed regularly. It required the staff to turn off the tap immediately after use, strengthened inspection and accountability, so as to avoid water waste on each floor.

### Paper Management

The Bank advocated the concept of paperless office and promoted the usage E-mail instead of printing and copying. Double-side printing model was set as default, and paper weight in the headquarters was reduced from 80g to 70g. The Bank required that business cards should be made of recycled paper and electric business cards were also available with the same information as the paper cards, as so to reduce the use of paper cards.

In 2022, the Bank implemented online and paperless contract drafting and stamping, and signed the first contract with electric stamp. This model is expected to lower carbon emission caused by paper consumption when applied bank-wide.

For corporate customers, the Bank launched CITIC Invoice Folder, an electronic invoice management product. As of the end of 2022, it has provided the whole-process electronic invoice management services including collection, verification, reimbursement and archive for 8,838 corporate customers, so as to reduce the waste caused by printing accounting vouchers, helping enterprises to realize paperless electronic invoice management. At the same time, it launched electronic vouchers in OFD version recognized by the Ministry of Finance. As one of the first pilot banks for accounting data standard of electronic vouchers authorized by the Ministry of Finance, it provided e-vouchers in OFD such as bank receipt for online corporate business and full-page bank reconciliation for 8,540 direct-connected customers as of the end of 2022. Customers previewed and downloaded more than 267 million e-vouchers, saving at least 134 million<sup>7</sup> paper vouchers and helping the low-carbon transformation of society.

### Waste Management

Waste generated during the Bank's operation includes both hazardous waste and non-hazardous waste. For each type of the waste, the Bank took scientific and reasonable measures to handle it as appropriate.



<sup>7</sup> Calculated on one A4 sheet of paper for two vouchers

### Green Data Center

For the Bank, the power consumption in data centers is crucial to energy-saving efforts. At present, the bank's data centers - production centers, intra-city centers and remote centers are all built by leasing. The PUE (power use efficiency) level of the suppliers' service rooms is taken into comprehensive consideration in the daily operation and management. The average PUE of the production centers averaged 1.3 in 2022, and the PUE of the intra-city centers and remote centers was below 1.5. The Bank's self-built service room, Shunyi Mapo Data Center, is still under construction, which fully considered the requirements of environmental protection and adopted a number of environmental protection and energy-saving measures in design and construction stage. The PUE value of the energy-saving evaluation report is 1.33.

### Environmental Protection Activities

To celebrate the 35th Anniversary of the Bank and welcome the opening of the 20th CPC National Congress, the Head Office Labor Union organized a power walking activity from July to September 2022. About 43,900 employees participated in the activity and the total number of walking steps exceeded 15.5 billion. A green philosophy of "happy life and bank-wide fitness" has thus become a trend in the Bank.

### Green Outlets

Adhering to the philosophy of green and low-carbon development, the Bank paid more attention to environmental protection, health and comfort, and safety and compliance in terms of decoration and materials when relocating or rebuilding its outlets. It required that building materials used by the suppliers must meet the environmental protection requirements, and dust and noise should be lowered as much as possible to reduce the impact on environment. In 2022, newly renovated outlets used fabric materials for financial service area partition, waiting area sofa and seats for personal and corporate business customers. Outlets established according to new standards since 2015 all used LED energy-saving tubes for exterior lightboxes and indoor hall downlights.

On September 23, 2022, the first green branch of the bank -- Xinyang Yangshan Green Branch of China CITIC Bank was established, strongly supporting the development of local low-carbon and green industries.

#### Establishing the First Green Sub-branch of China CITIC Bank

Case

On October 26, 2022, Xinyang Yangshan Green Sub-branch of China CITIC Bank opened, marking the official establishment of the first sub-branch named after "green" in Henan Province and the first green sub-branch of the Bank. Xinyang Yangshan Green Sub-branch is committed to green finance business, and focuses on supporting the optimization and upgrading of industries including green and low-carbon, clean energy and ecological restoration, so as to help the development of green industry in Xinyang. The sub-branch set up green finance signs and green finance display areas, and developed a green credit zone to connect green finance projects for Xinyang. As the first green sub-branch in Henan province, Xinyang Yangshan Sub-branch keeps in line with green office standards in daily operation and is committed to becoming a benchmarking outlet that integrates green elements with green development concept.



### Supply Chain Management

As of the end of 2022, the Bank had 17,034 suppliers<sup>8</sup>, of which 16,984 were from Chinese mainland, 30 from Hong Kong, Macao and Taiwan, and 20 from abroad. In 2022, the Bank continued to promote the building of an "environmentally friendly" green bank and a green supply chain from three aspects, namely system improvement, process innovation and appraisal promotion.

The Bank revised the *Basic Regulations of China CITIC Bank on Procurement Management*, the *Management Measures of China CITIC Bank for Centralized Procurement Suppliers*, the *Detailed Rules of China CITIC Bank for the Implementation of Centralized Procurement Review* and the *Management Measures of China CITIC Bank for Decentralized Procurement*. In doing so, it improved the relevant provisions on priority procurement of energy-saving and environmental protection products and the introduction of energy-saving and environmental protection suppliers, laying a solid institutional foundation for building a green supply chain and fulfilling green and environmental-friendly social responsibilities.

The Bank added the related requirements of energy conservation and environmental protection in procurement, such as setting the indexes of green construction guarantee measures in the non-price evaluation indexes of engineering projects, and putting forward environmental protection requirements including double-sided printing in the production requirements for procurement contracts. At the same time, it strengthened the audit of suppliers for environmental dishonesty, and restricted or prohibited suppliers with major environmental administrative penalties within three years from participating in the procurement projects of the Bank.

The Bank carried out supplier assessment and evaluation every year, introduced third-party risk monitoring and included it into supplier grade evaluation. Monitoring contents include supplier's compliance with laws and regulations, performance of social responsibility, legal disputes, etc.

In 2022, the Bank used third-party data platforms to screen 5,727 suppliers and 100% of the suppliers participating in procurement projects for risk information. Through screening, no suppliers with major substantive or potential negative impact have been found.



### Training

In 2022, 18 sessions of "Centralized Procurement Lecture" were held for the Bank, focusing on the latest national regulations and policies as well as key points and risks in the procurement. Three examinations titled "Centralized Procurement Training" were organized, with a passing rate of 100%. It conducted training for suppliers, and promoted the philosophy of green and sustainable development to suppliers through on-site visits, integrity and self-discipline and compliance management talks, etc.

<sup>8</sup> The statistical scope of suppliers is the suppliers in the Bank's centralized procurement platform system.





## JOINTLY BUILDING A HARMONIOUS SOCIETY

The UN Sustainable Development Goals



### High-quality Customer Service

Adhering to the core value of “customer orientation”, the Bank endeavors to build an innovative customer service culture and customer experience mode and incorporate the concept of customer relationship management and the awareness of consumer protection into products and services.

#### Optimizing the Outlet Layout

Dedicated to the principles of getting close to customers and communities and providing customers with convenient services, the Bank kept optimizing the outlet layout. In 2022, the Bank set up 13 new outlets, among which Changyuan Sub-branch in Xinxiang and Renhuai Sub-branch in Zunyi were the first ones in the respective counties. At the same time, with full consideration of neighboring residents, office workers, commercial facilities and traffic status, the Bank relocated about 70 outlets, making the outlet layout more scientific and reasonable.

As at the end of 2022, the Bank had 1,428 outlets in 153 large and mid-sized cities of the Chinese Mainland. Among them, 869 outlets were in the east<sup>9</sup>, accounting for 60.85%; 304 were in the central region, accounting for 21.29%; 255 were in the west, accounting for 17.86%. The Bank had 114 off-bank self-service banks, 4,967 self-service terminals and 9,197 smart counters. These outlets and self-service terminals covered all provincial-level regions, further optimized and enriched the local financial ecosystem, and met the financial needs of local residents.

<sup>9</sup> Eastern region includes Shanghai, Hangzhou, Ningbo, Nanjing, Suzhou, Guangzhou, Shenzhen, Beijing, Shijiazhuang, Tianjin, Shenyang, Dalian, Qingdao, Jinan, Fuzhou, Xiamen, and Haikou; central region includes Wuhan, Changsha, Zhengzhou, Harbin, Changchun, Nanchang, Hefei, and Taiyuan; western region includes Chengdu, Kunming, Chongqing, Guiyang, Xi'an, Lanzhou, Hohhot, Nanning, Urumqi, Lhasa, Xining, and Yinchuan.

### Upgrading Service Experiences

In order for the outlets to constantly provide better service experiences and gain higher customer satisfaction, the Bank revised the original work manual. In 2022, the Bank issued the *Service Quality Standards Manual for CITIC Outlets (Version 3.0, 2022)* to standardize the performance of duties. The new manual optimally integrated the “Ten Ones” reception service process and the “Seven-Steps” counter service process, and refined the customer service process at each post and in each functional area of the outlets. Through the mechanisms of multi-role posts and coordinated substitution, the new manual ensured constant customer services and better customer experiences. In the same year, the Bank launched events themed “building star-level outlets through publicity”, “building star-level outlets through service” and “building star-level outlets through branding” in all of the 1,428 outlets, further standardizing their reception service process and comprehensively improving the service quality.

The Bank continued to optimize the card opening process at smart counters in the outlets and enhance the coordination between offline business handling and online pre-filling and pre-handling processes. By doing so, the Bank promoted the more efficient and convenient service of comprehensively issuing debit cards. In addition, the Bank launched a program to reshape and upgrade the images of the outlets from zoning planning, service modes, machine operation and other aspects, so that the outlets could work with a more open concept and intelligent services to meet the all-round needs of customers.

### Customer Service in Remote Areas

To further improve the coverage of financial services and support the economic development of remote areas, the Bank established 73 outlets, including five tier-one branches and seven tier-two branches, in the five ethnic minority areas of Inner Mongolia, Xinjiang, Ningxia, Tibet, and Guangxi. At the same time, the Bank set up 68 outlets in the four remote areas of Qinghai, Yunnan, Guizhou and Gansu, refining the local financial service network.

In the meantime, the Bank continued to improve Internet banking, mobile banking, service accounts and other channels to enrich online services and reach and serve more customers. Mobile banking supports the inquiry of surrounding outlets, business consultation, form pre-filling and visit appointment, so that customers in remote areas can timely know the locations and business hours of the outlets and enjoy better visitor experiences.

#### Care for Special Groups

##### Services for the Visually Impaired

The Bank requests in the *Service Quality Standards Manual of China CITIC Bank* to provide facilities for visually-impaired and hearing-impaired customers in hall services, and prepares copies of *Common Business Overview of China CITIC Bank* in Braille. The outlets are equipped with wheelchair ramps, tactile sidewalks, courtesy windows, convenience cards for the visually impaired, Braille keyboards, voice-cued ATMs, emergency buttons and the like.

##### Services for the Disabled

The Bank's outlets are equipped with up-to-standard barrier-free facilities, such as seats for the disabled, courtesy windows and barrier-free call service. Approximately 85% of the outlets (with hardware conditions) are equipped with barrier-free ramps and parking spaces and the like. Some outlets are equipped with wheelchairs, mobility aids, barrier-free cash recycling machines and other facilities.

##### Services for the Elderly

The outlets of the Bank offer bus cue cards, walking sticks, wheelchairs and courtesy seats with arms. Some outlets are even equipped with barrier-free counters, waiting zones for middle-aged and elderly customers, low form-filling counters, short experience counters, blood pressure meters and other facilities for elderly customers to sit and walk during their waiting. Presbyopic glasses and magnifiers on the form filling desks can help the elderly read and write. Newspapers and magazines suitable for the elderly are available on the book column all year around, such as the *Elderly Times* and *Medical Health Care*. For elderly customers unable to visit the counters in person, the Bank provides warm door-to-door service, where CITIC specialists carry mobile terminals to visit customers and solve their financial needs at their homes.

### Warm and Smart Service Helped Solve Problems for the Elderly

#### Case

Through daily services and inquiries, China CITIC Bank Zhengzhou Branch found that most of the elderly who visited the outlet were not good at operating mobile banking and online payment. They would quickly forget about the inquiry operations they had learned and thus could only visit the outlet to consult the specialists again. To help solve this problem, Zhengzhou Branch actively organized the reception staff to seek service suggestions from the elderly and recorded their small troubles. After many revisions and refining, the Branch finally presented balance inquiry, account notification setting and other processes in vivid freehand sketches and offered them to the elderly visitors. By doing so, the Branch provided warmer service for the elderly.

#### Barrier-free Transformation of Mobile Banking and the Website

As required by the documents of the General Office of the State Council and the PBOC, the Bank transformed the existing "Happiness+" version of the Mobile Banking APP with a barrier-free design. The Bank added the voiceover function to pages of high-frequency transactions and basic shared components of mobile banking, developed customized startup pages, voiceover setting functions, and related guides, and set floating windows to introduce key functions. All of these adjustments helped improve the accessibility of barrier-free services. The Bank's Credit Card APP has offered an exclusive version for the elderly. This version adopts designs such as "large fonts", "big icons" and "high-contrast text", provides barrier-free services such as "one-click customer service" and "voice input", and enables an exclusive green service channel for the elderly, in a bid to give them better experiences.

### Customer Satisfaction Survey

As a major channel for customer feedback, the Bank's Customer Service Center listens to customers' voices in the first time and provides warm customer service 24/7 hours. The Customer Service Center has a sound mechanism of customer satisfaction surveys. After the completion of customer service, a satisfaction survey is randomly/proportionally triggered in the system to gather customers' service evaluations on all fronts. At the same time, the Center monitors service quality and calls back unsatisfied customers. Based on the causes of their dissatisfaction, the Center formulates targeted improvement plans to improve customer satisfaction and ensure service quality. As at the end of 2022, the debit card received 98.30% of satisfactory customer feedback from all of its channels, and credit card received 98.52% of satisfactory customer feedback from calls.

### Developing Intelligent Applications

The Bank lays out intelligent services from a user perspective and develops intelligent solutions with full-chain services. Instead of heavily relying on manual services, the Bank established a "robot+manual" intelligent service system to provide users with personalized services and ultimate experiences. By doing so, the Bank has efficiently utilized intelligent services.



#### Intelligent Online Services

- In user interaction, the auxiliary function of voice input has been added based on the existing text input to meet users' different usage habits. Face recognition, a biological recognition technology, has been added based on traditional identity authentication.
- An intelligent service routing master control platform that automatically configures customer group strategies has been built to enable the intelligent service model featuring personalization and better user experiences.
- The Bank continued to improve the customer service capabilities of the "AI Housekeeper" on the Mobile Banking APP. In 2022, the Bank further expanded the service scenarios for this APP, adding 30 task-based dialogues, more than 100 navigation-type answers and the three major functions of intelligent association, intelligent recommendation, and intelligent search.
- For the Credit Card APP and the WeChat official account, the Bank has launched a new-generation AI customer service, "Xiaoxin". This system can quickly handle user appeals, identifying 98.91% of problems and solving 93.93% of them.

#### Intelligent Voice Service

- Since its establishment, the Smart Outbound Call Center has expanded with a capacity of 100 million outbound calls, covering service scenarios such as notification reminders, event invitations and product promotions.

#### Intelligent Manual Service

- The Bank launched a 5G all-IP human-machine collaboration system to fully support manual service agents. This system quickly matches the knowledge needed to answer users' questions through "real-time translation + semantic recognition" of voice calls between users and agents. The human-machine collaboration system has increased agents' service efficiency by 11.87%.

## Enriching Online Products



In 2022, the Bank upgraded the Mobile Banking APP to version 9.0, providing customers with brand-new one-stop services featuring “simplicity, economy, visuals, diversity, professionalism, attractiveness and thoughtfulness”<sup>10</sup>. On the main position of mobile banking, the Bank comprehensively deepened customer relationships through settlement, investment, financing, activities and services focused on wealth management.

Main Settlement

01

The Bank upgraded the module, “Utility Bills”, providing customers with scenario-based convenient bill payment services. That has allowed customers to bind their regular utility accounts for bill payment for water, electricity and gas, thus facilitating their lives and saving their worry and effort.

The Bank developed the brand-new “Change +”, introduced the asset allocation view, and optimized and upgraded funds and other wealth management products. “Change +” features a low investment threshold and strong liquidity and thus can satisfy customers’ needs for cash management products. The asset allocation view intuitively displays market opinions, allocation strategies and optimization suggestions, giving customers a better understanding of their accounts and better wealth experiences. The Bank fully upgraded the channels of funds and wealth management products, optimized product and data functions, and improved service capabilities throughout the life cycle.

Main Investment

02

Main Financing

03

The Bank integrated its personal credit loan products into a brand-new one-stop lending channel and fully upgraded the credit card channel. The Bank launched credit loan products like “Xinmiaodai”, credit card cash and bill installment and “Haohuihua” in the aiBank to offer customers one-stop lending services with wider coverage. The Bank used digital models to carry out precise marketing and provide the maximum package of loan solutions. The Bank introduced convenient one-click repayment and brand-new repayment management functions to save worry for credit card customers.

The Bank fully upgraded the first-level homepage of “Rights Activities”, providing customers with integrated one-stop experiences of rights and activities. The upgraded “Rights Activities” channel has “unified entrances to activities”, “unified rights products”, “unified rights rules” and “unified rights collection”, giving customers better experiences through simplified processes and operations.

Main Activities

04

Main Services

05

As one of the first batch of commercial banks operating personal pension business, the Bank innovatively launched the “Happiness +” pension account book. Supported by big data and scientific algorithms, the “Happiness +” pension account book collects and displays customers’ pension assets, integrating the first, second and third pillar pension assets to a certain extent. At the same time, it provides customers with an integrated platform of pension-related services and products, including full-lifecycle management of personal pension accounts, pension plan calculation, electronic social security cards, electronic certificates of medical insurance, inquiries of enterprise annuities and aging communities. In addition, with professional wealth consulting and product screening capabilities, the “Happiness +” pension account book recommends “selected” pension investment products to customers. These one-stop pension financial services have met customers’ needs for full-life-cycle pension wealth management throughout their life cycles.

<sup>10</sup> Simplicity: The concise, exclusive and brand-new homepage. Economy: The one-stop brand-new interactive “Rights Activity” page. Visuals: Information at your hand. Diversity: News, opinions and market dynamics for you to discover and comment. Professionalism: The brand-new “Change+”, funds, financial wealth management, lending and pension accounts as well as selected products with long-term yields. Attractiveness: Brand-new credit cards and “Utility Bills” meeting the needs in eating, drinking, entertainment and accommodation. Thoughtfulness: Manual, video-based, online and AI-based warm customer services anywhere at any time.

## Launch Subway Ride Code on Mobile Banking

Case

In an active response to the national call of developing mobile payment convenience projects, China CITIC Bank Wuhan Branch introduced the first subway ride code to mobile banking. Connected to the “UnionPay Transportation Platform”, the subway ride code was officially launched in Wuhan on October 17, 2022. By scanning this code on the CITIC Mobile Bank APP, users can take all the subway lines in Wuhan. That has greatly enriched the functions of mobile banking and also facilitated users’ mobility. This function also supports promotion and reuse, laying the foundation for the bank-wide mobile banking ride code service. As at the end of 2022, the subway ride code transaction volume in Wuhan reached more than 66,000, with a daily average of 868.

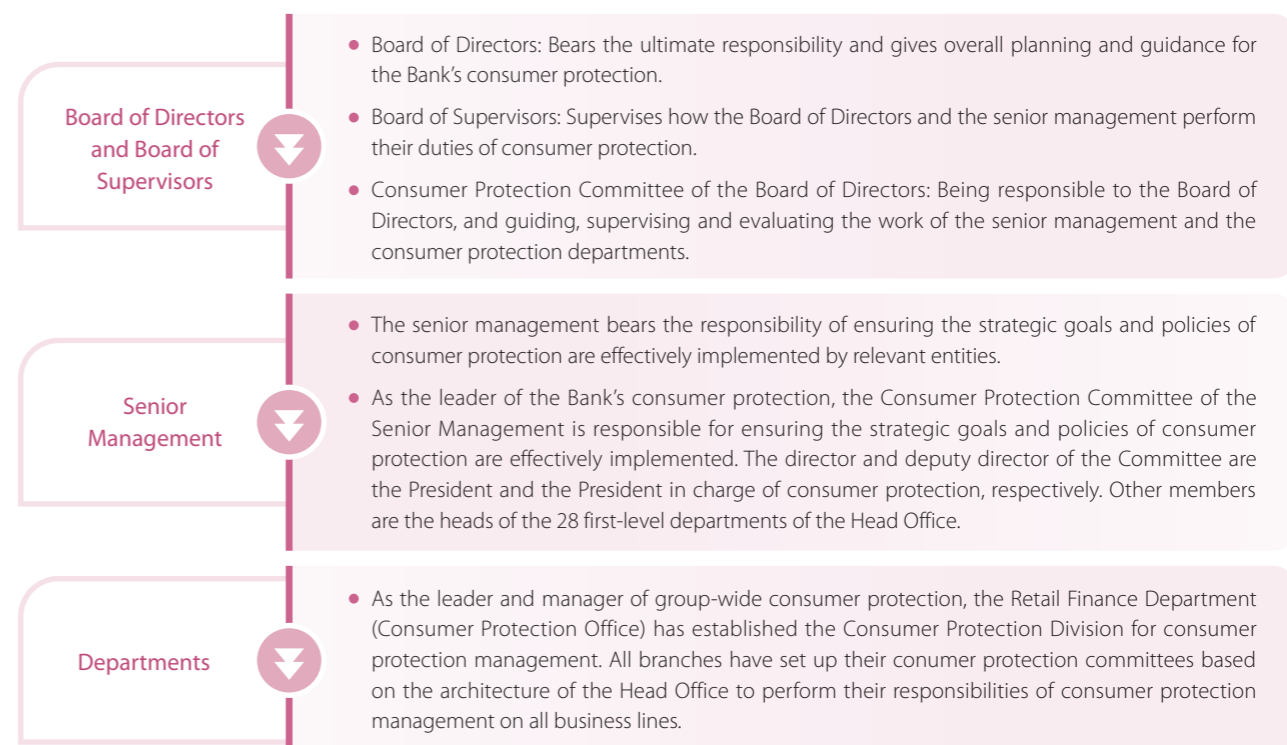
## Protecting Customers’ Rights and Interests

### About Consumer Protection

The Bank solidly held “the people-centered” development philosophy, adhered to the “finance for the people” and customer first, strictly implemented the relevant requirements of the PBOC and the CBIRC, constantly improved the quality and efficiency of consumer protection, and made efforts to provide warm financial services for customers. During the reporting period, the Bank gained A Level in the PBOC’s consumer protection assessment in 2021.

### Consumer Protection Management System

The Bank has established a consumer protection management system where the Board of Directors, the Board of Supervisors and the senior management perform their respective duties.



### Consumer Protection Policy Development

The Bank strictly implemented the *Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers*, the *Implementation Measures of the People's Bank of China on the Protection of Financial Consumers*, the *Guiding Opinions of China Banking and Insurance Regulatory Commission on Strengthening System and Mechanism Development for Consumer Protection* by Banking and Insurance Institutions and other regulations. Focusing on consumer protection management, information disclosure, complaint management, consumer protection review, universal financial knowledge popularization and education, financial consumer information protection and other key tasks, the Bank established the "1+14+2" consumer protection management system, namely, a basic system, 14 special systems and two procedural rules, such as the *Management Measures for Consumer Protection*, the *Management Measures for Customer Financial Information Protection*, the *Management Measures for Accountability of Rule Violations in Consumer Protection*, and the *Rules of Procedure for Consumer Rights Protection Working Committee*. By doing so, the Bank ensured the whole-process control and source governance of each business link, and systematically furthered quality and efficiency of consumer protection from dimensions such as mechanism improvement, team building, staff training, process control, assessment constraints and resource allocation.

### Consumer Protection Training

Every year, China CITIC Bank conducts at least a bank-wide training session on consumer protection for intermediate and senior managers, primary-level business specialists and new recruits. In 2022, the Bank launched a consumer protection training and test program for all the staff. Consumer protection experts were invited to give lectures on consumer protection regulatory policies, consumer financial information protection, complaint management and handling and the like. Finally, around 54,500 employees across the bank participated in the training.

### Special Audit for Consumer Protection

The Bank has formulated the *Audit Management Measures of China CITIC Bank for Consumer Protection*, and the audit plan is subject to dynamic adjustment every year. According to the Measures, the consumer protection audit is conducted across the bank, and the audit content covers the development and operation of the consumer protection system and mechanism, the whole-process management of operations and services, and the resolution of complaints and disputes, with a focus on consumer protection review, information disclosure, the principle of appropriateness, personal information protection, product and service fee management and the like. The problems found in the audit should be promptly sent to relevant audited institutions for remediation.

In 2022

> the Bank carried out consumer protection audits for 17 Head Office departments and 17 branches on a rolling basis.

### Review of New Products and Services

The Board of Directors of the Bank bears the ultimate responsibility for consumer protection. In early 2022, the Board of Directors reviewed this year's plan for consumer protection, clearly incorporating the remediation of consumer protection review into work priorities. Every six months, the Board of Directors heard the consumer protection report from the management on the key points of prior review, the execution, the development of the review system and other aspects of consumer protection. By doing so, the Board of Directors performed the responsibility of supervising the review of new products and services.

The Bank reviews new products and services in the following processes:

#### 01 Departments on business lines

These departments bear the primary responsibility and conduct prior review for the consumer protection content of their new products and services.

#### 02 Consumer Protection Offices of Branches

As the managers of consumer protection review in their branches and subordinate institutions, these offices review the consumer protection content of the new products and services launched by branches, and warn them against the consumer protection risks lying in the new products and services.

#### 03 Consumer Protection Office of the Head Office

As the manager of consumer protection review across the bank, the Consumer Protection Office of the Head Office is responsible for formulating the system for consumer protection review, reviewing the consumer protection content of the new products and services submitted by the Head Office departments, and warning them against the consumer protection risks lying in the new products and services.

In 2022, the Bank intensified consumer protection review based on the principle that "all the cases should be reviewed". Throughout the year, the Bank reviewed a total of 10,853 consumer protection cases, representing a year-on-year increase of 287.05%; 100% of the review opinions were accepted, representing a year-on-year increase of 4 percentage points.

### Fair Marketing

Based on the reality and relevant regulations such as the *Notice by the People's Bank of China, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange of Further Regulating Financial Marketing and Publicity Activities* (Y.F. [2019] No. 316), the Bank formulated the *Management Measures of China CITIC Bank for Financial Marketing Publicity*.

In fair marketing, the Bank's departments of products, departments of customers and departments of channels bear the primary responsibility for financial marketing and publicity and relevant management on respective business lines. The Retail Finance Department (Consumer Protection Office) of the Bank reviews and supervises the consumer protection content during financial marketing and publicity, conducting prior review, on-going supervision and post supervision.

#### Prior Review

The consumer protection reviewer of a certain business department conducts the preliminary examination of relevant content and then submits it to the Consumer Protection Office. The Consumer Protection Office reviews the submitted content based on relevant regulations. The submitted content that lacks relevant elements and fails to meet the requirements should be supplemented and refined by relevant business departments.

#### On-going Supervision

The Consumer Protection Office examines whether or not the marketing materials released differ from what has been submitted for review.

#### Post Supervision

The Consumer Protection Office inspects the products and services that have been launched or put into use. Products that fail to meet consumer protection regulations should be immediately removed from shelves and can be re-launched only after they meet the regulations.

The Bank strengthened the management of the marketing and publicity team, regularly monitoring and inspecting its financial marketing and publicity behaviors and forming relevant remediation reports. At the same time, the Bank actively educated and trained the marketing personnel on financial marketing and publicity compliance. By integrating the education of financial marketing and publicity into the launch of new products and services, the Bank continuously improved the theoretical understanding and professional quality of the marketing personnel.

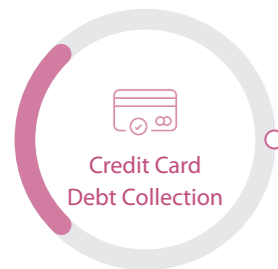


## Improving Customer Debt Management

### Loan Clauses Change

We provided customers with options to change the original terms of their loans. After customers provided the required application materials, the Bank assessed relevant risks and changed the qualified elements or information of their loans to meet their actual needs. For better customer experiences, we offered two loan modification channels: "Online self-service" and "Offline approval". Customers could apply through mobile banking, personal online banking and offline outlets, and their loan modification would take effect after approval. For customers unable to apply for repayment adjustments on the counter due to special reasons and other factors, we launched "submission with certain materials missing" and "deferred submission" to solve their urgent needs.

### Completing the Debt Collection Mechanism



- The Bank formulated the *Management Measures of China CITIC Bank for Credit Card Debt Collection (Version 3.0)* and specified the strategy, process and methods of credit card debt collection. In addition, the Bank developed the operational specifications of credit card debt collection to ensure compliant and orderly debt collection.
- The Bank collected overdue payments of credit cards through the main process of early collection, collection by regional sub-centers and collection by authorized agencies. The Bank kept adjusting and optimizing the collection strategy based on reality.
- The Bank established a comprehensive debt collection training mechanism. Face-to-face teaching, video training, digital learning, Tencent conferences and other training programs were provided for the credit card debt collectors from the Bank and third-party collection agencies. The training content included but was not limited to basic banking knowledge, the credit card collection process, employee assessment and management requirements, compliance culture promotion and consumer protection. The training programs were carried out regularly or irregularly. By continuously intensifying and deepening debt collection training and education, the Bank constantly improved the collection staff's professional quality, duty performing abilities, compliance awareness and risk management capabilities.



- The Bank established a bank-wide personal loan collection management system and formulated the *Management Measures of China CITIC Bank for Personal Loan Recovery*, the *Measures of China CITIC Bank for the Management of Outsourced Personal Loan Collection Agencies* and other collection management systems. In addition, the Bank developed a collection management module based on the needs of personal loan business, making collection management digital and ensuring legal, compliant and reasonable development of the business.
- The Bank formulated different collection strategies for different personal loan products with different risks. Under the hierarchical management of customers and loans, the Bank carried out self-collection or outsourced collection based on different risk performances. The Bank established a training mechanism of personal loan collection management. Every year, the Bank provided personal loan specialists with online and offline training on management systems, business processes, system functions, operational risk prevention and control and other aspects.
- The Bank regularly inspected third-party partners for business compliance, information security protection, consumer protection and other aspects. The Bank established a mechanism to train third-party partners on business processes, information security, consumer protection and other aspects. All these were aimed to ensure legal and compliant collection and healthy and orderly development of personal loan business.

## Safeguarding Customer Safety



- In terms of product access**  
We formulated quantitative and qualitative screening criteria. For wealth managers and products, we made comprehensive assessments and access management based on the quantitative credit evaluation mechanism established. For fund managers, we conducted quantitative scoring and selected funds with controllable risks and excellent performance for product launch and customization. At the same time, we developed a funds studio where qualified products were launched and customized after being uniformly surveyed, discussed and scored by industry experts and product managers to avoid risks.
- In terms of compliant sales**  
We further improved the top-level institutional framework for compliant sales management. In 2022, we updated the *Management Measures for Personal Financial Product Sales (Version 5.0)* and the *Suitability Management Measures for Asset Management Products Sold by Retail Banking on Consignment (Version 2.0)*. We strengthened the implementation of the *Compliance Manual for Key Retail Business*, the *Negative List of Key Retail Business* and other policies. In the meantime, we enhanced the management of the sales process and recommended products in strict accordance with customers' risk ratings. When marketing wealth management products, sales organizations at all levels and sales staff of the Bank made a detailed product introduction to customers, including the term, investment destinations, and return on investment in various scenarios, fully disclosed the risk of wealth management products in plain language and with necessary illustrations, explained the worst scenarios and investment results, and made sure that customers got a full and accurate understanding.
- In terms of after-sales presence**  
We provided more timely, accurate and digitally convenient services. We issued monthly operation tracking reports for the key products held by customers. When the product opening period came, we generated exclusive after-sales retention plans to ensure customers' yields, seamlessly retain their funds and improve their investment efficiency. On the Mobile Banking APP, we launched a digital presence on the position page so that customers could find it easily. Market insights reports and the operation reports of key products are displayed on the product details page to timely reveal market and product changes.



We continued to improve our mechanism to secure customers' funds. We formulated the *Management Measures of China CITIC Bank for Anti-Telecom Network Fraud in Retail Banking*, thus establishing the standard process for anti-fraud work. We built the "Sentry" retail fraud risk control system featuring active prevention, intelligent control and comprehensive management, and designed and deployed different prevention strategies for different fraud cases and means. In 2022, we intercepted and dissuaded 860 defrauded customers and protected the funds of RMB112 million, securing customers' funds. At the same time, we developed community graphs and other investigation and control models. Throughout the year, we cleared nearly 10,000 gambling-related accounts involving nearly RMB151 million gambling funds, achieving remarkable results in this aspect.

We organized several rounds of anti-fraud publicity and education activities themed "CITIC Protects You Against Fraud and Brings You Happiness" to make the public, and the elderly in particular, more aware and capable of guarding against and recognizing common scams such as fake e-commerce merchants and online loan frauds.

### China CITIC Bank Safeguarded Builders' Legitimate Rights and Interests with Technological Means

Case

To better supervise how construction project funds were used throughout the process and prevent them from the risk of misappropriation and return, China CITIC Bank Hefei Branch together with the Head Office designed and developed the "System of China CITIC Bank for Construction Fund Supervision and Protection of Builders' Rights and Interests", and smoothly applied this system to a construction project in Hefei. The block chain-based system took advantage of the traceable and tamper-proof data to ensure the secure, reliable and earmarked payment of project funds and workers' salaries.

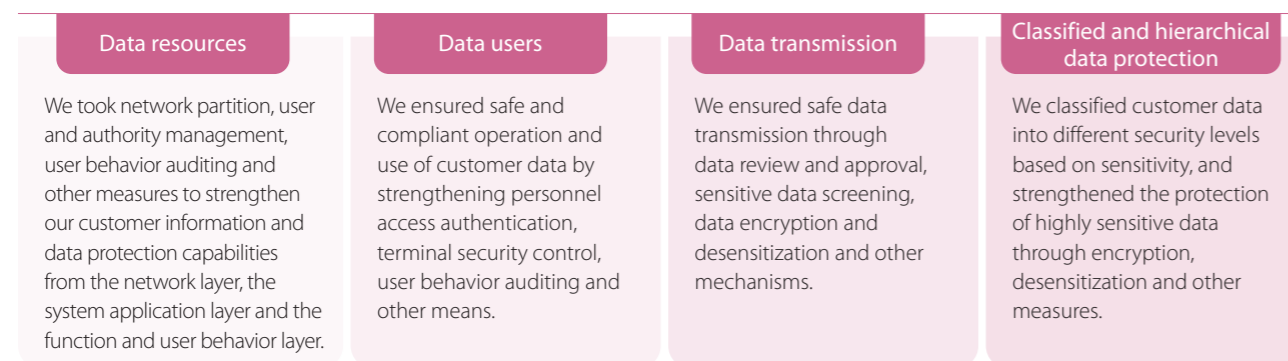
## Customer Data and Privacy Protection

### Governance Framework

The Bank has established the Information Technology Committee with the Vice President as the director. The Committee is mainly responsible for reviewing the Bank's annual plans and schedules for information development and policies on information technology risks, coordinating the resolution of major information technology risks and information security issues, and monitoring information technology investment, among other things.

### Institutional and System Development

The Bank continued to improve the customer information protection system. In 2022, the Bank revised and issued *Management Measures of China CITIC Bank for Customer Information Security*, the *Management Measures of China CITIC Bank for Electronic Data Security* and other personal information protection systems and regulations, specifying the requirements for the security management of personal information and electronic data throughout their life cycles. The Bank built the sound data security protection system through multiple dimensions such as data resources, data users, data transmission, etc.



The Bank strictly controlled information technology outsourcing risks. The access authorization for information assets to be accessed or used in outsourcing activities were strictly subject to the principles of "business needs" and "least privileges". The Bank adopted network access, peripheral control, email control, secure desktops, electronic document encryption and other technologies to control the access of outsourced users and prevent and control customer information leakage risks. At the same time, the Bank regularly carried out terminal inspections and information technology outsourcing risk assessments, and timely resolved and removed hidden risks.

### Personal Information Protection Policies of China CITIC Bank

Case

The Bank formulated and issued the *Privacy Policy of China CITIC Bank for Electronic Banking* and strictly followed the Policy to collect, store and use customers' personal information. The Bank promised to protect customers' personal information through corresponding protection measures by law. Meanwhile, in accordance with relevant laws and regulations, the Bank guaranteed the customers to have the rights to control their personal information, including the rights to access, correct, update and delete their personal information and change the scope of authorization. Relevant applicable scenarios and operation methods were also specified. The link to the Privacy Policy is below and the English version of relevant terms are included in the Appendix:

<https://wap.bank.ecitic.com/NMBFOServer/WebMB/MBLifeService/privacyPolicy.html#4>

### Development of Security Monitoring and Defense System

The Bank conducted strict network control and deployed security devices to detect and resolve network security anomalies. The Bank carried out regular vulnerability scanning to proactively find out high-risk problems in internal systems, hosts, networks, applications, user passwords and other aspects. The Bank integrated various monitoring and protective technologies to supervise internal and external attacks and abnormal behaviors in real time and fix vulnerabilities timely.

The Bank worked ever faster to develop the security operation platform, strengthen the early warning of attacks, and improve the ability to detect, grasp and resolved external attacks. The Bank added and revised emergency plans, and carried out drills covering large-scale network attacks, domain name hijacking, website tampering, electronic display system tampering, large-scale data leakage and other network security scenarios.

In 2022, the Bank had no information security incidents caused by untimely monitoring and resolution.



### Information Security Training

The Bank attaches great importance to information security education. In 2022, the Bank launched network security training and publicity education sessions for all employees, the employees on the information technology line, and the public.

1

Through screensaver display on terminals, push messages from the WeChat official account, online courses and other forms, the Bank launched 8 training sessions on security awareness education and customer information protection for all employees. By doing so, the Bank continuously improved their awareness of security compliance.

2

Through online and offline lectures and tests, publicity on departmental homepages on mobile banking and other forms, the Bank launched more than 10 training sessions on development security, security attack and defense, information security management systems and other content for the employees on the information technology line. By doing so, the Bank comprehensively improved the professional skills and management abilities for employees on professional posts.

3

The Bank launched the "National Network Security Publicity Week" campaign for the public. The Head Office and branches held a total of 251 online and offline activities, organized 150 network security knowledge training and skill competitions, and distributed 57,900 publicity materials. This campaign reached 96,300 people, enhancing their awareness of guarding against network fraud and protecting personal financial information.

### Information Security Audit

The Bank values customer information protection and carries out annual information security audits. In 2022, the Bank incorporated the audit items of customer information security management into the information technology audit, the log management audit, and other audits projects. In addition, the Bank specially audited the protection of credit information and other particularly sensitive data. During the audit process, the Bank focused on customer information security management. The Bank paid continuous attention to customer information protection throughout the processes of collection, transmission, storage, use, deletion, and destruction and before, during, and after the event. In addition, the Bank conducted targeted audits for identity and access authority management, communication security, physical and environmental security, external personnel security and other links of information security management.

No major defects that might cause or had caused massive customer information leakage were found in the 2022 audit of the Bank.

### Customer Complaint Management

In 2022, the Bank formulated the *Management Measures of China CITIC Bank for the Diversified Resolution of Financial Consumption Complaints*, further regulating the resolution mechanism of personal customer complaints. In the meantime, to implement the *Notice of the General Office of the China Banking and Insurance Regulatory Commission on Further Strengthening Consumer Complaint Handling* (Y.B.J.B.F [2022] No. 90), the Bank revised the *Management Measures of China CITIC Bank for Consumer Complaints*.

Every year, the Consumer Protection Committee of the Board of Directors of the Bank regularly heard the complaint management reports and inquired about the handling of relevant complaints. The Committee required the branches with a large number of complaints to analyze their substantial reasons and followed up on their remediation.

In terms of the complaint processing mechanism, the complaints received from different channels based on different contents were transferred to relevant departments of the branches or the Head Office. The complaints were timely processed by relevant specialists and fed back to relevant complainants. At the same time, regular risk investigations were carried out in key areas with complaints. In 2022, the suspected complaints about customer information security, arbitrary charges complaints and employee behavior complaints were screened out and sent to relevant business lines for investigations in order to eliminate risks and hidden dangers.

In 2022, the Bank received 322,165 customer complaints, of which 23,862 were referred from regulators (including the CBIRC, PBOC, and other external regulators); 111,095 came from the 95558 customer service hotline for debit card-related complaints; 186,655 were about credit cards complaints via the hotline 4008895558; 553 were received through other internal channels (including business premises, phone calls, and visitors' books). These complaints mainly involved business categories such as credit card, debit card account management, and personal loan, which accounted for 63.79%, 19.95% and 7.88%, respectively. By region, they mainly came from Guangdong<sup>11</sup>, Jiangsu, and Beijing, accounting for 67.94%, 2.10%, and 2.07%, respectively.

<sup>11</sup> As the Credit Card Center of the Bank is located in Shenzhen, the complaints of credit card business have been included in Guangdong province.



#### Customer Complaint Channels of China CITIC Bank

Customer complaint hotline: 95558 Credit card complaints hotline: 40088-95558

Credit card complaint email: 8009995558@citicbank.com

Mailing address for letters of credit card complaints: China CITIC Bank Building, No. 121, 1st Fuhua Road, Futian District, Shenzhen/518048

#### Locations and Content of Customer Complaint Channel Notices of China CITIC Bank



##### Offline business channels

In the business halls of all outlets, the hotline, process and other information for customer complaints are made public in the prominent areas, and unified visitors' books are placed in appropriate locations.



##### Online business channels

The hotline and process for customer complaints are made public on the Mobile Banking APP of China CITIC Bank. The hotline, email and mailing address of credit card complaints are made public on the Credit Card APP.



##### Official websites

The customer complaint hotline, the credit card complaint hotline, the complaint process and other information are made public in the prominent area of the official website of the Bank. The hotline, email and process of credit card complaints are made public in the prominent area of the Bank's credit card official website (<https://creditcard.ecitic.com>).



##### Service hotlines

The complaint handling information is made public in the voice prompts and menus of the customer hotline 95558 and the credit card hotline 4008895558. The button "Complaint and Suggestion" has been brought to the first layer of the IVR in the credit card hotline.



##### Product and service contracts

The customer complaint hotline or other complaint channels are provided in these contracts.



## Implementing People-oriented Management

Employees are the cornerstone for a bank to survive and develop. We respect, motivate and care for employees and grow and make progress with them.

### Introducing High-quality Talents

#### Developing the Bank Into the Best Employer Brand

The Bank recruited talents closely under the bank-wide development strategy and the principles of “overall planning, demand orientation, job matching, openness, fairness, and compliance with laws and regulations”. Through campus recruitment, social recruitment and other means, we fully introduced excellent talents based on the annual talent plan, in a bid to guarantee our high-quality and sustainable development.

#### Diversity

According to the *Management Measures of China CITIC Bank for Employee Recruitment*, the recruitment shall strictly comply with national laws and regulations, without employment discrimination or discriminatory terms (including but not limited to ethnicity, race, gender and religious belief).

#### Fairness and Openness

The Bank recruited talents under the principle of “openness and fairness” and strictly followed the recruitment requirements issued to avoid unfair recruitment.

#### Anti-child Labor Clauses

The Bank employed all workers in accordance with relevant provisions of the *Labour Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. According to the *Management Measures of China CITIC Bank for Employee Recruitment*, the recruitment shall strictly comply with national laws and regulations, and nationally stipulated unemployable workers (including but not limited to child labor) may not be recruited.

As at the end of 2022, the Bank found no child labor or forced labor. If any child labor or forced labor was found, the relevant person in charge would be punished with warnings, demerits, demotions, and dismissals as the case may be, according to the *Staff Violation Handling Measures of China CITIC Bank*. Any violation of laws and regulations would be dealt with seriously according to law.

#### Employee Dismissal

The Bank dismissed employees in strict accordance with the *Labour Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Implementing Regulations of the Labor Contract Law of the People's Republic of China* and other relevant laws and regulations. In the *Labor Contract Management Measures of China CITIC Bank*, the *Employee Dismissal Management Measures of China CITIC Bank*, the *Management Measures for Salary Reduction, Demotion and Exit of Employees from Head Office of China CITIC Bank (Trial Implementation)* and other rules, detailed dismissal policies and measures are clearly stipulated to protect the legitimate rights and interests of the employees and the Bank.

## Optimizing the Compensation System



Staff Wages

In accordance with national salary management policies and systems, the Bank has established a salary distribution mechanism centered on job value, performance contribution and ability display and a full-process performance appraisal system oriented towards value creation. The wages of the employees consist of basic pays and merit pays. Specifically, basic pays are determined by the employees' job responsibilities and performance capabilities; merit pays are linked to the Bank's overall operating benefits and the employees' performance.

All employees of the Bank are subjected to an annual performance appraisal as well as semi-annual, and quarterly appraisals their offices organized based on their reality. According to the *Guidelines for Employee Wage and Welfare of China CITIC Bank*, at least every quarter, direct leaders should communicate with their employees on the progress of their performance goals, timely find and correct their deviations, and instruct them to endeavor to complete the goals.



Staff Welfare

The Bank offers employees wages and welfare including social insurance, housing provident funds, enterprise annuities, and supplementary medical insurance. In 2022, we continued to put more resources into caring for employees and optimizing their wages and welfare.

#### Old-age security

The Bank has established a multi-pillar old-age security system, in which, in addition to the basic endowment insurance, employees under labor contracts who have completed the probation period can join the enterprise annuity scheme voluntarily. According to the *Measures for Management of Enterprise Annuities of China CITIC Bank*, individual employees shall contribute 4% of their monthly average salary of the previous year to the enterprise annuity scheme, and the Bank shall contribute no more than 8% of the gross payroll of the previous year.

#### Medical insurance

The Bank has established a multi-faceted medical insurance system. In addition to basic medical insurance, according to the *Management Measures of China CITIC Bank for Employee Supplementary Medical Insurance*, the Bank shall purchase supplementary medical insurance for employees under labor contracts who have completed the probation period, with the premiums borne by the Bank.

#### Maternity protection

The Bank provides maternity allowances for employees who are taking their maternity leave and formulates the *Employee Attendance Management Measures of China CITIC Bank* to ensure female employees' maternity leave, prenatal check-up leave, breastfeeding leave, parental leave and the like.

## Safeguarding Employee's Rights and Interests

### Safeguarding Basic Rights

The Bank safeguards the employees' legitimate rights and interests in employment, work safety, rights to work and rest, democratic management and other aspects.

### Equality

In terms of wages and welfare, the Bank follows the principle of equal pay for equal work and fully guarantees that employees of different genders, nationalities and political parties are treated equally. The Bank has not treated such employees differently in their promotion and development, but strove to create a diversified and inclusive working atmosphere.

### Workplace Safety

The Bank attaches importance to the employees' health and safety. Security personnel conducted daily layer-by-layer safety inspections and monthly comprehensive and layer-by-layer safety inspections, and urged relevant problems to be rectified. At the same time, the Bank strengthened safety training for employees, organizing "Fire Safety Month" publicity and educational program, regular training sessions on employee safety precautions and skills, and fire emergency drills.

#### "Caring for Employees with First Aid" — Equipping Automatic External Defibrillator (AED)

Case

Located on the Qinghai-Tibet Plateau, Lhasa is 3,650 meters above sea level. Due to hypoxia and altitude stress, Lhasa has a much higher occurrence probability of sudden cardiac arrest than that in the mainland. China CITIC Bank Lhasa Branch strives to create a "homeland culture" and continues to provide better emergency rescue services for employees. In 2022, the Branch equipped three automatic external defibrillators (AED) for its headquarters and two outlets. Lhasa Branch invited professional medical institutions to give the employees two intensive training sessions on how to conduct cardiopulmonary resuscitation and operate an AED, making employees familiar with and master the methods and essentials of the operation. By doing so, the Branch aimed to make every employee know how to and dare to give such first aid to themselves and others and thus improve their emergency responses.

### Rights to Work and Rest

Formulating the *Labor Contract Management Measures of China CITIC Bank* and the *Employee Attendance Management Measures of China CITIC Bank*, the Bank provides working hours and conditions, breaks, leave, and labor protection and forbids forced or compulsory labor in any form to protect the legitimate rights and interests of the employees.

The *Employee Attendance Management Measures of China CITIC Bank* clearly stipulates the employees' right to take leave. As at the end of 2022, employees of the Bank took 286,200 days of annual leave, accounting for 56.08% of the 510,300 days of annual leave they were entitled to. Other leave including marital leave, personal leave, sick leave and funeral leave of the Bank totaled 196,300 days, or 3.21 days per capita, an increase of 0.21 days.

### Rights to Speak

The Bank provided employees with smooth channels where they can report problems and put forward opinions and suggestions, such as "President's Mailbox", "General Manager's Mailbox", Intranet "Work Contact" column, and "Voice Speak Actively" platforms. All employees can send emails directly to the "President's Mailbox". The management of the Bank attached great importance to the content in the "President's Mailbox". Some of the opinions and suggestions therein have been included in the key matters to be supervised for implementation.

In 2022, the Bank established a unified suggestion platform, "Voice", and formed a full-process opinion response mechanism that "ensures all opinions are responded, all processes are visible, all results are searchable, and all services are evaluable". As at the end of 2022, the platform has received a total visits of 205,000 person-time and processed 4,722 suggestions for issues in primary-level branches, with an overall settlement rate of over 90% and an average satisfaction rate of 4.78 points (out of 5 points). By doing so, the Bank supported the primary-level branches, solved their problems and saved their worries.

### Democratic Management

With great importance attached to safeguarding the employees' democratic rights, the Bank has established an employee representatives' congress system covering the Head Office, branches and subsidiaries. To give full play to the important role of employee representatives in democratic management, decision-making and supervision, the Bank has formulated and issued the *Employee Representatives' Congress Management Measures of China CITIC Bank*. The Employee Representatives' Congress is held at least once a year to review the important matters regarding the Bank's reform and development and the employees' immediate interests.

In 2022, the Bank held the second Employee Representatives' Congress of the second session. Before the congress, the Labor Union organized employee representatives to attend the training on the employee representatives' congress system. In addition, the Labor Union invited these employee representatives to attend the bank-wide business analysis meetings in the four quarters and hear relevant reports. Through democratic voting, this Employee Representatives' Congress passed the report on bank-wide safety production, the report on the work of the Labor Union of the Head Office, and the *Employee Welfare Fee Management Measures of China CITIC Bank*. This Employee Representatives' Congress elected the appointment of the sixth employee representative supervisors of the Board of Supervisors of China CITIC Bank, reviewed the report on the work of employee representative supervisors, and replied to 87 proposals from these representatives, with 66.67% of proposals resolved. By doing so, this Employee Representatives' Congress fully guaranteed the employees' rights to know, to participate, and to supervise.

### Female Employees' Rights and Interests

The Bank signed the *Collective Contract for the Protection of Female Employees' Rights and Interests* with female employees to protect their rights from an institutional perspective. In 2022, the Bank paid special visits to more than 30 single-parent and extremely poor female employees, sending them the love and warmth of the Labor Union.

### Caring for the Employees

In accordance with the *Labor Law of the People's Republic of China* and other laws and regulations, the Bank provided comprehensive insurance plans, including accidental injury insurance, for the employees to manage their safety and health. To ensure their health, the Bank has timely urged the employees to take medical examinations. In 2022, approximately 50,700 person-time of the Bank took voluntary medical examinations, a decrease of roughly 0.59% over the previous year.

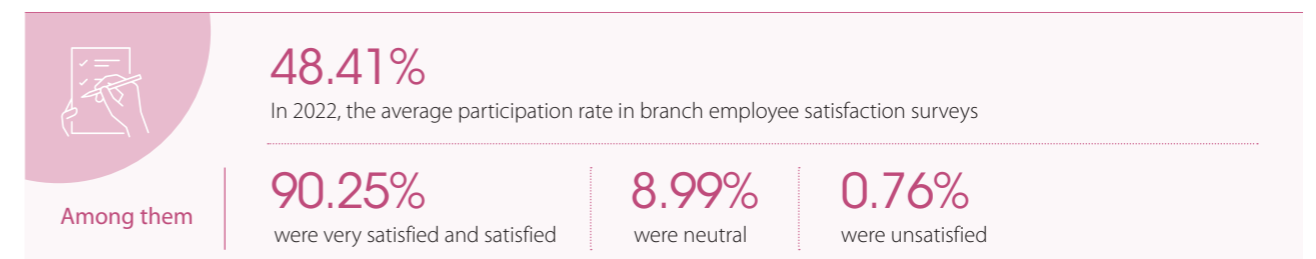
The Bank continued to provide employees with psychological care help improve their psychological capital. In 2022, the EAP program offered psychological consulting and face-to-face video consultation services 24/7 hours to the employees, in a bid to help solve their and their family's psychological distress. At the same time, the program held a series of "Sunshine Energy" lectures to help employees and managers at all levels relieve their worries and enhance their abilities. The program provided psychological examination services for entire employees in order to help them understand their psychological conditions. During the special period, the program offered group counseling and continued to offer the employees regular tips on psychological care and physical health knowledge.

### Warmth from Labor Union

The Labor Union of the Bank paid considerable regard to employees on various special occasions such as "wedding, childbirth, serious disease, hardship, retirement and funeral." Throughout the year, the Labor Union showed regard to roughly 59,500 employees with a bonus of RMB26 million or so paid to them. The Labor Union paid special visits to more than 300 employees in difficulty, poverty alleviation officials, model workers in difficulty and the families of those who died on duty, along with subsidies of more than RMB2 million.

### Conducting Employee Satisfaction Surveys

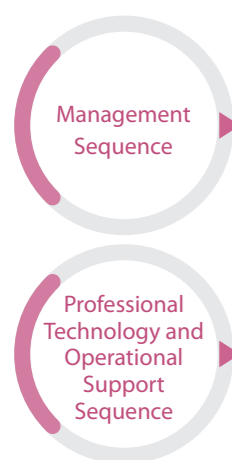
The Bank conducted surveys on the satisfaction of human resources management in branches.



## Promoting Employee Development

### Smooth Career Advancement Channels

The Bank has established a standardized and unified position system, continuously strengthened the building of the talent team, and improved the career development channels for talents. According to *the Position Sequence Management Measures of China CITIC Bank*, the Bank's position sequences include management, professional technology and operational support. All the position sequences have clear promotion paths, and employees can also switch between different sequences and sub-sequences.



- The Bank formulated the official selection criterion of “further strengthening organizational inspection, broadening the selection scope, and enhancing the coordination of selection and training”. Through the public selections of the assistants to the presidents of remote branches and the middle-level assistants for all branches, the Bank picked a group of excellent officials.
- The Bank encouraged multi-position exchange and training for officials, promoted the mechanism of vertical, horizontal, internal and external job rotation and secondment, and guided officials to grow in practice.

- The Bank advocated that “the capable are promoted, the mediocre are demoted, and the inferior are discarded”. The Bank strengthened the ability- and contribution-oriented evaluation to give play to the incentive and restraint role of employee promotion and demotion.

### Refined Vocational Training Systems

In 2022, the Bank continued to strengthen the top-level design of staff training, improve the hierarchical and classified training system, and supported capacity building in strategic key areas by optimizing the allocation of training resources.

- The Bank implemented the *Three-Year Plan for Education and Training of Party Members of China CITIC Bank*. The Bank held the 2022 Party character training session for middle-level principals at the Central Party School (National School of Administration) and the first Party character rotation training session for middle-level deputies at the Zunyi Cadre College. By doing so, the Bank continued to train the leadership on cultivating Party character, theoretical knowledge and practical skills.
- The Bank held training sessions for new middle-level principals and assistants to help them understand job requirements and basic duty performance. The Bank held on-the-job training sessions for department-level officials of the Head Office to improve the managers’ team management capabilities.



- The Bank continued to update the post qualification training system for employees. In 2022, the Bank developed 1,031 new online courses and thus had a total of 3,992 online courses. At the same time, under the principle of “all employees that should be involved should be tested”, the Bank set test centers in 77 cities nationwide and organized 12,198 employees to smoothly complete the post qualification tests.
- The Bank strengthened the training on professionalism. Based on the work priorities and business promotion in 2022, the Bank launched a total of 3,386 training sessions on services, products, systems and the like for 824,000 person-time in the professional technology sequence.
- The Bank sped up the role change of new employees. In 2022, to help new employees integrate into CITIC culture and adapt to the working environment as soon as possible, the Head Office held two orientation training sessions for campus recruited employees and socially recruited employees, respectively. At the same time, the Bank organized rotation training sessions for campus recruited IT graduates of the year of 2021 to help them understand the banking business and adapt to their jobs.

To better integrate and coordinate the education and training resources of high-quality colleges and universities, the Bank signed framework agreements on centralized procurement of training cooperation with 14 high-learning institutions nationwide, including Tsinghua University, Peking University, and Zhejiang University, establishing a bank-wide college cooperation platform for 2020-2022. Over the past three years, the Head Office and branches have held annual intensive training programs in the institutions on this platform, invited their teachers to give lectures, and worked with these institutions on joint research projects. The college cooperation platform has become an important channel for the Bank to train officials and talents.



We value the training on digital capabilities for the employees. In 2022, we built our digital capability model, and gave an online training course on digital thinking for all employees with a bank-wide participation rate of 99.64%. At the same time, the Bank launched training camps for Python digital skills based on digital scenarios and task requirements.

We encourage employees to study and take external examinations on the professional qualification for their positions in their spare time. For the employees who have obtained qualification certificates, we provide corresponding expense reimbursement policies.

The Bank carries out the bank-wide demonstration talent project, “Baigeqianfan”. In 2022, the Bank completed the first selections of potential middle-level principals under the “Voyage Plan”, potential middle-level deputies under the “Continuation Plan”, potential department-level officials under the “Cruising Plan”, management trainees under the “Sailing Plan”, digital talents under the “Star Sail Plan”, capital-light talents under the “Sail Plan”, international talents under the “Sail Voyage Plan”, and scientific and technological talents under the “High Sail Plan”. Through systematic trainings, the Bank continued to strengthen the talent echelon.

## Committed to Community Service

The Bank remains committed to the original mission of serving and repaying the society, continuing to make sincere efforts in rural revitalization, targeted assistance, public welfare charity, etc.

### Supporting Rural Revitalization

#### Enhancing Top-level Design

The Bank's Leading Group of Inclusive Finance and Rural Revitalization headed by the president is responsible for establishing and improving the overall rural revitalization system mechanism, approving the development plans and important policies, and coordinating and promoting the business development. In 2022, the Leading Group reviewed the *Action Plan on Promoting Rural Revitalization Businesses*, intensified the promotion of rural revitalization regulatory policies and the development directions and measures of key businesses, strengthened business brand building, and formulated and issued the *Forestry Tenure Mortgage Loan Management Measures of China CITIC Bank (Trial)* and *Management Measures of China CITIC Bank on High Standard Farmland Construction Loans (Trial)* and other regulations.

#### Giving More Guidance on Credit Supply

In 2022, the Bank subsidized agriculture-related loans, new-type agricultural business entity loans and forestry rights mortgage loans, and guided operating institutions to allocate more resources. The Bank continued to intensify differentiated authorization and grant some new institutions differentiated authorization for high-standard farmland loans and agriculture-related loans to leading agricultural industrial enterprises. The Bank issued the *Notice on Strengthening Financial Services for Leading Agricultural Industrial Enterprises* to further support the development of leading agricultural enterprises. As at the end of 2022, the Bank's agriculture-related loan balance reached RMB486.930 billion.

### China CITIC Bank Put in Place First Rural Revitalization Bond Among State-owned Enterprises in Tianjin

Case

In May 2022, Tianjin Food Group Co., Ltd. issued RMB300 million of rural revitalization notes with China CITIC Bank Tianjin Branch as the co-lead manager. The issuer serves key livelihood areas such as food supply guarantee, food price stability and food safety guarantee. The funds raised are used to expand and strengthen agriculture-related businesses and support rural industrial development. As the lead underwriter, Tianjin Branch directed financial resources to targeted rural land, providing firm financial support for the national rural revitalization strategy.

### Targeted Financial Assistance

The Bank strictly implemented the requirements of shaking off no responsibilities, policies, assistance and regulations even when poverty has been shaken off. The Bank provided greater credit support for key areas such as population and areas lifted out of poverty and industry-driven areas to consolidate and expand the achievements of poverty alleviation. As at the end of the year, the Bank's outstanding loans for targeted financial assistance amounted to RMB32.833 billion, an increase of RMB1.984 billion or 6.43% compared with the end of the last year; and the balance of loans for areas lifted out of poverty stood at RMB16.069 billion, an increase of RMB1.543 billion or 10.62% compared with the end of the last year.

The Bank continued to refine online and pure credit loan products such as and "Government Procurement e-loan" and "Tax e-loan". The Bank used electronic channels such as online banking and mobile banking to break through the limitations of physical outlets and extend the service radius in poverty-stricken areas and key regions. The Bank optimized and promoted "chain finance" products such as "Order e-loan" and "Distribution e-loan", relying on the supply chain to transmit credit and expand the scope of services available to enterprises.



### China CITIC Bank Provided Innovative Inclusive Financial Products to Help Micro and Small Logistics Enterprises Solve Problems

Case

Focusing on the local advantageous industry—the dairy industry, China CITIC Bank Hohhot Branch worked with a leading domestic dairy company to have launched the innovative product "Order e-loan-Freight loan". This product provides batch services to serve micro and small enterprises on the upstream industry chain. "Order e-loan-Freight Loan" can be fully operated online and borrowed and repaid at any time, without any collateral. As it is available on online banking, enterprises can apply for financing, withdrawal, use and repayment of the loan without visiting the outlets. As at the end of 2022, Hohhot Branch issued RMB61 million of such loans to six micro and small logistics companies supplying the dairy company from different parts of the country, thus ensuring the safety and stability of the local agricultural and animal husbandry industry chain.

### Innovative Assistance Practices

The Bank adequately fulfilled its social responsibilities by continuing to offer paired assistance in many places such as Xietongmen County of Tibet, Aksu City and Jiashi County of Xinjiang, and Dangchang County of Gansu Province and to implement educational assistance projects in 19 provinces, municipalities and autonomous regions. Under the organization of local governments, 23 of the Bank's branches continued to provide paired assistance for 57 villages lifted out of poverty to consolidate the achievements of poverty alleviation and advance rural revitalization. As at the end of 2022, the Bank dispatched 73 full-time and part-time officials stationed in 42 villages and 3 counties (districts) (including 24 first secretaries in villages and 3 officials in counties (districts)).

### Paired Assistance

With the assistance results achieved in the past few years, the Bank continued to provide paired assistance nationwide. As at the end of 2022, the Bank directly donated RMB4.6972 million to county and village projects for rural revitalization. The Bank introduced RMB2.1855 million from other assistance funds to mainly support projects in rural industries, infrastructure, education, culture, ecosystem and other aspects.

#### In Xietongmen County of Tibet

1 The Bank established a 1,100-square-meter forage processing plant at an altitude of 4,500 meters and purchased processing equipment for production. By doing so, the Bank greatly eased the shortage of livestock forage in autumn and winter in pasturing areas, benefiting farmers and herdsmen across the county and helping local people get jobs.

#### In Aksu City and Jiashi County of Xinjiang

2 The Bank launched seven industrial, infrastructure and education assistance projects and donated funds of RMB698,700. The Bank repaired houses and purchased publicity equipment for villagers, and donated desks and chairs to primary schools. The Bank renovated activity centers, theme parks and cultural corridors, accumulating strength for the cultural and ecological revitalization of villages lifted out of deep poverty.

#### In Dangchang County of Gansu

3 The Bank transformed 50 mu of abandoned land in a village into high-standard farmland. With assistance funds, the Bank established an ecological planting and breeding base, where cherries and corn were planted and harvested. The Bank organized village cooperatives to breed native chickens, native pigs, and Chinese bees, and distributed the villagers more than RMB100,000 in dividends.

### Educational Assistance

The Bank continued to operate the New Great Wall Senior High School Student Assistance program in 19 provinces, municipalities and autonomous regions. The Bank donated RMB2 million to help 1,000 students from poverty-stricken families complete their sophomore year of senior high school (including 446 male students and 554 female students) and step into the stage of preparing for the national entrance examination, with per capita assisted tuition and living expense of RMB2,000. In addition, 15 branches and subsidiaries of the Bank launched multiple charity student aid, volunteer teaching and other activities in the Chinese mainland and Hong Kong SAR, directly benefiting 7,204 students (including 41 college students and 7,163 primary and secondary school students).

### Consumption Assistance

Consumption assistance is an important link for rural industrial revitalization. In 2022, the Bank gave active assistance through consumption. Through the bonus-related purchases of the Labor Union and the purchases of office canteens and employees, the Bank assisted in the agricultural and sideline product sales of key assisted areas and counties lifted out of poverty. As at the end of 2022, the Bank bought agricultural and sideline products worth RMB45.9026 million. According to incomplete statistics, the employees purchased such products worth RMB1.1821 million, contributing to the revitalization of rural industries and the income increase of rural residents nationwide through consumption.

## Repaying the Society

### Outbound Donations

The Bank strictly observed the *Charity Law of the People's Republic of China*, the *Welfare Donations Law of the People's Republic of China* and other laws and regulations, actively gave back to society, and made donations to where most needed. As at the end of the year, the Bank donated RMB8,550,400. The employees of the Group donated RMB2,722,900. Social contribution per share of the Group reached RMB6.02, up 6.74%.

### China CITIC Bank Fought the Epidemic Together with the Concept of Finance for the People

Case

During the Shanghai pandemic outbreak in 2022, China CITIC Bank Shanghai Branch actively responded to the call from the local financial sector to support the frontline. The Branch donated anti-epidemic materials and daily necessities worth RMB1 million to frontline workers and citizens in key epidemic areas. In addition, officials and employees at all levels of the Branch spontaneously organized the donations of over 11,000 boxes of food, medicine, daily necessities, and anti-epidemic materials for medical workers, community workers and vulnerable groups in communities. All employees of Shanghai Branch actively participated in volunteer services in their communities. Whether it was hot or rainy, they worked tirelessly to give nucleic acid testing, deliver materials, manage the community and do other tasks. In white medical uniforms, they organized group buying, sent their warm and selfless help to others, and built a solid barrier for epidemic prevention and control together with all sectors of society.

### China CITIC Bank Supported Flood-affected Poor Village in Post-disaster Reconstruction

Case

In 2021, Henan Province suffered a once-in-a-thousand-year torrential rain that flooded many towns in Junxian County, Hebi City, among which Dongfeng Village in Xiaohe Township, was the most severely affected. In June 2022, China CITIC Bank Zhengzhou Branch actively responded to the call and sent a support team of three employees to Dongfeng Village for paired assistance. In addition, the Branch donated RMB1.23 million to Dongfeng Village to exclusively support the post-disaster infrastructure reconstruction in the locality. Before the Spring Festival in 2023, the assistance team of Zhengzhou Branch overcame difficulties and installed street lights for Dongfeng Village, lighting up the hope together with the villagers.

### Popularizing Financial Knowledge

According to the Bank's *Management Measures for Financial Knowledge Publicity and Education*, targeted financial knowledge publicity and education activities should be carried out regularly and intensively. Importance should be attached to the financial knowledge publicity and education among special groups such as migrant workers, the disabled, the elderly, and students, and their diversity and difference should be fully considered. Financial knowledge, convenient bank facilities and services should be introduced and popularized to the special groups in a way that they can understand.

### Rural Financial Education Demonstration Villages

Case

With great importance attached to financial knowledge publicity and education in rural areas, China CITIC Bank Changsha Branch customized a "rural financial education base" in the paired village. By setting up "a publicity showcase, a bookshelf, a consulting booth, and a lecture hall", the Branch made the base a place for financial knowledge lectures, financial education activities, and extended financial services. In 2022, the Branch held several financial knowledge publicity and education activities with the theme of "Keeping the Wallet Safe and the Family Happy". External professional lawyers were invited to analyze the common fraud means and illegal fund-raising routines targeting the elderly and remind villagers to be highly aware of risk prevention and protect their money through legitimate means. On the event sites, the Branch distributed financial knowledge manuals and leaflets and answered villagers' questions face to face, receiving unanimous praise from them. Shiyang Village of Changsha County and Xinyang Village of Wangcheng District —the two villages receiving paired assistance from Changsha Branch— won the honor of "Rural Financial Education Demonstration Villages in Hunan" from the Changsha Central Sub-branch of the PBOC.

### China CITIC Bank Improved Special Groups' Awareness of Financial Risk Prevention through Entertainment

Case

In 2022, the employees of China CITIC Bank Yuxi Branch visited Yuxi Special Education School and gave the teachers and students a popular and interesting lecture on financial knowledge. At the lecture, in collaboration with the sign language teachers, the employees relied on interesting comics, cases, videos, Q&A and other means to vividly show students how to distinguish the authenticity of RMB, prevent telecommunications and network fraud, protect personal financial information, make deposits and buy insurance and the like. Through the lecture, the students had a better understanding of financial knowledge, higher self-protection awareness and stronger risk discrimination abilities.

### China CITIC Bank Helped the Elderly Protect Money through Innovative Publicity

Case

To improve the anti-financial-fraud awareness among the elderly group, China CITIC Bank Jinan Branch, together with CITIC Branch of Shandong University for the Elderly, has jointly created, directed and performed the "Anti-Fraud Fitness Exercise". With the movements of square dance, the rhythm of bodybuilding exercises, and catchy lyrics, the anti-fraud fitness exercise helps the elderly keep in mind anti-fraud knowledge while exercising. Having been displayed on the screens of more than 5,200 buses covering over 260 lines in Jinan City and other channels for several consecutive days, this exercise reached an audience of more than 30 million person-time, greatly improving the social influence and coverage of financial knowledge publicity and education activities.





### China CITIC Bank Visited College to Create Anti-fraud Videos with Students

Case

China CITIC Bank Yinchuan Branch carries out financial knowledge publicity regularly. In 2022, the Branch visited Ningxia Industrial Vocational College to spread financial knowledge to the faculty and students. The Branch held two lectures on consumer protection to introduce telecommunications fraud and anti-fraud skills. With the strong support of the college, more than 50 students participated in the creation of consumer protection videos and jointly created ten anti-fraud short videos with the employees of Yinchuan Branch. This activity has helped college students gain a deeper understanding of fraud means. More importantly, the participants' active sharing has driven more students to join in anti-fraud promotion and thus improved their self-protection abilities.

In 2022, the Bank actively participated in "3-15 Financial Consumer Rights Day", "Promoting Financial Literacy and Keeping the Wallet Safe", and "Financial Knowledge Popularization Month" and other intensive publicity and education activities organized by the regulators. Thus, the Bank was rated as the "Excellent Organizer of 3-15 Events" in 2022 and the "Excellent Banking and Insurance Organizer of Financial Publicity and Education Activities in 2022". Throughout the year, the Bank organized a total of 10,340 public education and publicity events, reaching 426 million person-time in total and winning 95.97 million views from online activities.

As the only strategic conservation bank of the China National Committee on Aging, the Bank published the *Financial Knowledge for the Elderly* and the *Make Use of Smartphone - Start Happy Life for the Elderly* with the China National Committee on Aging, actively popularized the financial knowledge to the elderly, and protected the property security of the elderly.

### Building Public Welfare Platforms

#### "Love · Credit · Union" Public Welfare Platform

Case

In an active response to the national call of "building China into an education power", China CITIC Bank Credit Card Center has established the "Love-Credit-Union" public welfare platform which has been supporting the quality-oriented education of rural schools in China's underdeveloped regions for 13 years. As at the end of 2022, the "Love-Credit-Union" public welfare platform called for more than 1.3 million person-time to donate credit card points. The donations raised through the platform have been used to build "Dream Center" multimedia classrooms and five-year supporting courses for 200 schools in 28 provinces, municipalities and autonomous regions. These facilitates benefit 160,000 teachers and students each year.



### Volunteer Activities

The Bank established the Youth Volunteer Association in 2014. The association works for the following purposes: to practice volunteerism, disseminate advanced concepts, and contribute to a harmonious society characterized by unity and mutual help, equality and fraternity, and common progress. The volunteers vow to "put aside our own benefits and do our best to help others and serve society".

The Youth Volunteer Association carried out various volunteer activities such as education aid in rural areas, caring for the elderly, caring for children with illness and disadvantaged groups, bringing warmth to sanitation workers, advocating green and environmental protection, donating blood, engaging in environmental conservation for wild birds, organizing charity bazaars, and joining voluntary activities. As at the end of 2022, the Bank organized 598 young volunteer activities with nearly 20,000 hours of service. During the epidemic, the Bank called for and organized young employees to join various anti-epidemic activities. The Bank organized more than 5,000 young employees to take part in 2,310 anti-epidemic activities with 18,800 hours of service.

### Fifty Impoverished Students Were All Admitted to Key Colleges with Excellence Performance in National Entrance Examination

Case

On June 23, 2022, the 50 12th-graders in the "CITIC Leasing Class" of Ningxia Yucui Middle School all passed the national entrance examination, living up to expectations with good performance. In 2019, CITIC Financial Leasing launched the public welfare action themed "Student Aid-Dream Building-Talent Cultivation" and set up the "CITIC Leasing Class" in Ningxia Yucui Middle School. Over the years, CITIC Financial Leasing has funded 50 impoverished students excellent in character and learning and helped them complete high school studies. On September 9, the representative of CITIC Financial Leasing volunteers greeted the freshmen through video connection, accompanying their growth with continuous care.

### China CITIC Bank Launched Volunteer Activity Themed "Environmental Conservation for Wild Birds"

Case

In May 2016, China CITIC Bank Shanghai Branch launched the volunteer activity themed "Environmental Conservation for Wild Birds" and committed to patrol around to protect wild birds, demolishing illegal bird catching nets, rescuing trapped wild birds, and safeguarding the ecological balance. As at the end of 2022, 657 person-time conducted a total of 151 wild patrols and toured around the forest land on foot for 1,865.90 kilometers. They demolished a total of 1,788 illegal bird catching nets and 269 residual nets, and rescued and released 309 live birds including spotted doves, oriental turtle doves, turdus naumanni, Pale Thrushes, Siberian Rubythroats, and oriental scops owls, the national second-level protected animal. Shanghai Branch Volunteer Team of Environmental Conservation for Wild Birds rescued and released wild birds on a regular and ongoing basis, making positive contributions to the ecological development in Shanghai.



## ANNEXES

### ESG Performance

#### Economic Performance

Indicator	2022	2021
Total assets (in RMB hundred million)**	85,475.43	80,428.84
Total profit (in RMB hundred million)**	734.16	655.17
Operating income (in RMB hundred million)**	2,113.92	2,045.57
Net profit (in RMB hundred million)**	629.50	563.77
NPL ratio (%)**	1.27	1.39
Allowance coverage ratio (%)**	201.19	180.07
Social contribution value per share (in RMB)**	6.02	5.64
Balance of loans to inclusive micro and small enterprises (in RMB hundred million)	4,459.92	3,668.67
Balance of loans to strategic emerging industries (in RMB hundred million)	4,242.10	3,105.97
Balance of agriculture-related loans (in RMB hundred million)	4,869.30	3,967.16
Balance of loans for precision poverty alleviation with financial services (in RMB hundred million)	328.33	308.49

#### Environmental Performance

##### Green Finance

Indicator	2022	2021
Balance of green credit (in RMB hundred million)	3,340.82	2,054.25
Amount of green bonds underwritten (in RMB hundred million)	55.26	-
Amount of investments in green bonds (in RMB hundred million)	106.76	-
Cumulative turnover transaction volume in green bond market making (in RMB hundred million)	396.62	-

### Green Operation

Indicator	Emission**	
	2022	2021
Sulphur dioxide (in ton) <sup>12</sup>	0.02	0.03
Nitrogen oxides (in ton) <sup>13</sup>	0.45	0.52
Total greenhouse gas emissions (in ton) <sup>14</sup> (Scope 1 and Scope 2)	158,529.10	164,345.10
Per capita greenhouse gas emissions (in ton/person)	2.59	2.77
Greenhouse gas emissions per square meter of floor area (in ton/square meter)	0.07	0.07
Greenhouse gas emissions per RMB hundred million income (in ton/RMB hundred million)	74.99	80.34
Direct greenhouse gas emissions (Scope 1) (in ton) <sup>15</sup>	5,606.67	6,668.93
Fuel consumption of official vehicles	2,392.36	3,936.40
Diesel for facilities	14.75	11.34
Natural gas	3,075.44	2,589.29
Gas	29.37	27.28
Liquefied petroleum gas	94.75	104.62
Indirect greenhouse gas emissions (Scope 2) (in ton) <sup>16</sup>	152,922.43	157,676.17
Purchased electricity	152,922.43	157,676.17
Total hazardous wastes (in ton) <sup>17</sup>	301.15	294.27
Per capita hazardous wastes (in ton/person)	0.0049	0.0050
Total hazardous wastes per square meter of floor area (in ton/square meter)	0.00014	0.00012
Total hazardous wastes per RMB hundred million income (in ton/RMB hundred million)	0.14	0.14
Total harmless wastes (in ton) <sup>18</sup>	1,241.70	1,352.91
Per capita harmless wastes (in ton/person)	0.020	0.023
Total harmless wastes per square meter of floor area (in ton/square meter)	0.0006	0.0006
Total harmless wastes per RMB hundred million income (in ton/RMB hundred million)	0.59	0.66

12 Sulphur dioxide emissions recorded herein mainly came from fuel consumption of official vehicles, with relevant data calculated according to the *Technical Guide for the Preparation of the List of Air Pollutant Emissions by Road Vehicles (for Trial Implementation)* released by the Ministry of Environmental Protection of the PRC.

13 Nitrogen oxides emissions recorded herein mainly came from fuel consumption of official vehicles, with relevant data calculated according to the *Technical Guide for the Preparation of the List of Air Pollutant Emissions by Road Vehicles (for Trial Implementation)* released by the Ministry of Environmental Protection of the PRC.

14 The list of greenhouse gases recorded herein includes carbon dioxide, methane and nitrous oxide. They mainly came from purchased electricity and fuel and are presented by carbon dioxide equivalents. They include direct (Scope 1) and indirect emissions (Scope 2).

15 Direct greenhouse gas emissions recorded herein were calculated according to the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* released by the Intergovernmental Panel on Climate Change (IPCC).

16 Indirect greenhouse gas emissions recorded herein were calculated according to the *Grid Baseline Emission Factor for China of Emission Reduction Project of 2019* issued by the Ministry of Ecology and Environment of the PRC, the latest emission coefficient information published by the Hong Kong Electric Company Limited (HEC), as well as the latest emission coefficient information published by the CLP Holdings Limited. As there was no baseline emission factor for the power grid in Tibet or the UK, and the data of Lhasa Branch and London Branch about purchased electricity had little impact and was of relatively low importance, the purchased electricity of the branches was not included in the statistics on greenhouse gas emissions.

17 The hazardous wastes mentioned herein were handed over to qualified and specialized companies for disposal and they mainly include scrapped lead-acid batteries and scrapped ink boxes, toner cartridges, carbon powder and ribbons of printers.

18 The harmless wastes mentioned herein were all handed over to recycling companies for disposal and they mainly include scrapped office paper and scrapped hard disks.

### Use of Resources<sup>\*\*</sup>

Indicator	2022	2021
Total energy consumption (in MWh) <sup>19</sup>	277,158.43	291,477.56
Per capita energy consumption (in MWh/person)	4.54	4.92
Energy consumption per square meter of floor area (in MWh/square meter)	0.13	0.12
Energy consumption per RMB hundred million income (in MWh/RMB hundred million)	131.11	142.49
Direct energy consumption (in MWh) <sup>20</sup>	26,202.96	30,040.12
Fuel consumption of official vehicles	9,772.83	16,080.26
Diesel for facilities <sup>21</sup>	56.11	43.13
Natural gas	15,728.24	13,242.00
Gas	218.65	203.09
Liquefied petroleum gas	427.13	471.64
Indirect energy consumption (in MWh) <sup>22</sup>	250,955.47	261,437.44
Purchased electricity	250,955.47	261,437.44
Tap water consumption (in ton)	2,053,398.88	2,463,067.33
Per capita tap water consumption (in ton/person)	33.61	41.57
Tap water consumption per square meter of floor area (in ton/square meter)	0.93	1.04
Tap water consumption per RMB hundred million income (in ton/RMB hundred million)	971.37	1,204.10

### Low-carbon Operation

Indicator	2022	2021
A4 copy paper purchased (in ten thousand packs) <sup>**</sup>	53.19	59.05
Substitution rate for paper statements (%)	100	100
Number of video conferences (in number)	6,983	6,992
Substitution rate for personal e-banking transaction volume (%)	99.72	99.65

<sup>19</sup> Total energy consumption mentioned herein includes direct and indirect energy consumption.

<sup>20</sup> The data on direct energy consumption in this report was calculated according to the amount of fuel consumed and relevant conversion factors provided in the *General Rules on Calculating Comprehensive Energy Consumption (GB/T 2589-2020)*, a national standard of the PRC. Relevant energy includes natural gas, gas, diesel for facilities, liquefied petroleum gas and fuel consumed by official vehicles.

<sup>21</sup> Diesel for facilities refers to the diesel consumed by standby generators and a small number of stoves.

<sup>22</sup> The data on indirect energy consumption in this report is calculated according to the amount of electricity consumed and relevant conversion factors provided in the *General Rules on Calculating Comprehensive Energy Consumption (GB/T 2589-2020)*.

## Social Performance

### Employee Benefit

#### Basic Employee Information

Indicator	2022	2021
Total employees (in person)	57,023	55,419
Employees under labor contract with the Bank (in person)	56,349	54,618
Employees dispatched to the Bank or hired with letters of engagement (in person)	674	801
Male employees (in person)	25,607	25,102
Female employees (in person)	31,416	30,317
Ethnic-minority employees (in person)	2,731	2,687
Primary-level employees (in person)	50,171	48,732
Branch managerial employees <sup>23</sup> (in person)	6,260	6,072
Head Office managerial employees <sup>24</sup> (in person)	592	615
Aged 30 and below (in person)	13,871	14,744
Aged between 31 and 40 (in person)	31,060	29,587
Aged between 41 and 50 (in person)	8,988	8,380
Aged between 51 and 59 (in person)	3,104	2,708
Aged 60 and above (in person)	0	0
Foreign employees (in person)	40	36
Number of employees in the eastern region (in person)	37,545	37,048
Number of employees in the central region (in person)	8,193	7,701
Number of employees in the western region (in person)	7,965	7,470
Number of employees in the northeastern region (in person)	3,274	3,157
Number of overseas employees (in person)	46	43
Newly recruited employees (in person)	4,046	3,681
Newly recruited female employees (in person)	2,262	1,934
Newly recruited male employees (in person)	1,784	1,747
Localization rate of senior management in the Head Office (%)	100	100

<sup>23</sup> Employees at and above the level of assistant general manager of the departments of branches, and assistant to deputy head (inclusive) of sub-branches.

<sup>24</sup> Employees at and above the level of assistant (inclusive) to division chief of the Head Office departments.

continued

### Statistics on Staff Turnover

Indicator	2022	2021
Employee turnover rate (%)	3.29	5.67
Female employee turnover rate (%)	2.91	4.46
Male employee turnover rate (%)	3.75	6.44
Turnover rate of employees aged 30 and below (%)	5.14	7.30
Turnover rate of employees aged between 31 and 40 (%)	3.28	5.12
Turnover rate of employees aged between 41 and 50 (%)	1.30	2.00
Turnover rate of employees aged between 51 and 59 (%)	0.49	4.75
Turnover rate of employees aged 60 and above (%)	0.00	0.00
Turnover rate of employees in the eastern region (%)	3.31	5.74
Turnover rate of employees in the central region (%)	3.13	4.57
Turnover rate of employees in the western region (%)	3.57	4.65
Turnover rate of employees in the northeastern region (%)	2.81	4.59

### Employees Casualties<sup>\*\*</sup>

Indicator	2022	2021	2020
Number of employees dead on the job (in person)	1	0	0
Ratio of employees who died on the job (%)	0.0018	0	0
Number of employees injured on the job (in person)	43	77	48
Time lost due to injury (in days)	1,433.53	3,084.44	2,483.5

### Employee Training

Indicator	2022	2021
Total training cost (in RMB ten thousand)	7,333.07	9,748.12
Training cost per capita (in RMB)	1,285.98	1,758.99
Total number of participants (in person-time)	850,344	533,738
Times of training per employee (in person-time)	14.91	9.63
Duration of training per management staff (days/person)	5.58	4.63
Duration of training per non-management staff (days/person)	17.89	10.96
Duration of training per female employee (days/person)	10.57	11.15
Duration of training per male employee (days/person)	9.78	9.97
Percentage of female employees attending training (%)	100.00	100.00
Percentage of male employees attending training (%)	100.00	100.00

### Employee Training

Indicator	2022	2021
Percentage of management staff attending training (%)	100.00	100.00
Percentage of non-management staff attending training (%)	100.00	100.00
Number of anti-money laundering training times (in times)	1,110	1,182

### Supplier Management

Indicator	2022	2021
Supplier review coverage (%)	100	100
Total number of suppliers (in number)	17,034	16,931
Number of suppliers in Chinese mainland (in number)	16,984	16,877
Number of suppliers in Hong Kong, Macao and Taiwan (in number)	30	34
Number of overseas suppliers (in number)	20	20

### Customer Service

Indicator	2022	2021
Outlets (in number)	1,428	1,415
Outlets in counties (in number)	154	159
Outlets with a wheelchair-accessible ramp (in number)	1,210	1,197
Self-service terminals (in set)	4,967	5,397
Satisfaction with debit card in all channels (%)	98.30	98.03
Satisfaction with credit card in calls (%)	98.52	98.59

### Community Development

Indicator	2022	2021
Total donations (in RMB ten thousand) <sup>**</sup>	855.04	1,161.92
Volunteer activities (in number of times) <sup>**</sup>	598	288
Total purchase amount in consumption assistance (in RMB ten thousand)	4,590.26	1,896.58
Public education activities organized (in number of times)	10,340	14,670

## Independent Assurance Report

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### Independent Practitioner's Assurance Report

To the Board of Directors of China CITIC Bank Corporation Limited

We have been engaged to perform a limited assurance engagement on the 2022 Sustainability Report ("Sustainability Report") of China CITIC Bank Corporation Limited (the "Bank").

#### The Board of Directors' Responsibilities

The Board of Directors of the Bank is responsible for the preparation of the Sustainability Report based on Shanghai Stock Exchange "Guidelines on Preparation of 'Corporate Report on Performance of Social Responsibilities' "( "SSE Guidelines"), and Hong Kong Exchange and Clearing Limited ("HKEx")'s "Environmental, Social and Governance Reporting Guide" ("ESG Reporting Guide"), and with reference to Global Reporting Initiative ("GRI")'s "Sustainability Reporting Standards" ("GRI Standards"), "Opinions on Strengthening Social Responsibilities of Banking Financial Institutions" promulgated by the China Banking Regulatory Commission, "Guidelines on Corporate Social Responsibilities of Banking Financial Institutions" promulgated by the China Banking Association, and GB/T36001-2015 Guidance on Social Responsibility Reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Report so that it is free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for setting the Bank's objectives in respect of sustainability performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders.

#### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Practitioner's Responsibilities

It is our responsibility to express a conclusion on whether we are aware of any matter that would materially affect the Sustainability Report prepared based on the SSE Guidelines and the ESG Reporting Guide and with reference to GRI Standards based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on any matter that would materially affect the Sustainability Report. Our work involves assessing the risks of material misstatement in the Sustainability Report, whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk.

Within the scope of our work, we have performed the following procedures in the Head Office of the Bank and Dalian Branch:

- 1) Interviews with management in terms of the strategy and policy of the Sustainability Report, to inquire into the formulation and implementation of sustainability-related strategy and policy;

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- 2) Interviews with departments in charge of the Sustainability Report and departments involved in providing performance information for inclusion in the Sustainability Report, to inquire into the design and operation of the Sustainability Report information collection and summary procedures;
- 3) Consistency comparison between key financial performance data in the Sustainability Report with related data in the financial report;
- 4) Analytical procedures of Key Performance Indicators ("KPIs") in the Sustainability Report, based on which we carried out sampling and recalculations of selected KPIs;
- 5) For information other than KPIs, selecting samples for comparison and checking with related internal documentation or public information;
- 6) On-site interviews with Dalian Branch;
- 7) Other procedures deemed necessary.

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report.

#### Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

#### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, based on the SSE Guidelines and the ESG Reporting Guide and with reference to GRI Standards.

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#### Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

**PricewaterhouseCoopers Zhong Tian LLP**

Shanghai, China

March 23, 2023

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		305-4 GHG emissions intensity	80-85
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		305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	81
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Disclosure Items			Pages
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GRI 418	GRI 103	Customer privacy management approach disclosures	64-66
GRI 419	GRI 103	Socioeconomic compliance management approach disclosures	23-28
	Topic-specific disclosures	419-1 Non-compliance with laws and regulations in the social and economic area	Not Applicable

## ESG Index

continued

### Mandatory Disclosure Requirements

Content	Pages
<p>Governance Structure</p> <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and</li> <li>(iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	10
<p>Reporting Principles</p> <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.</p> <p><b>Materiality:</b> The ESG report should disclose:</p> <ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors;</li> <li>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</li> </ul> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	Inside Front Cover
<p>Reporting Boundary</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	Inside Front Cover

### "Comply or Explain" Provisions

Category	Aspect	KPI	Pages
Environmental	A1 Emissions	General Disclosure: Information on: relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	49
		(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		A1.1 The types of emissions and respective emissions data.	81

### "Comply or Explain" Provisions

Category	Aspect	KPI	Pages	
Environmental	A1 Emissions	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).	81	
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	81	
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	81	
		A1.5 Description of emission target(s) set and steps taken to achieve them.	49-52	
		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.	49-52	
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	49	
		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).	82	
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	82	
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	49-52	
		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.	49-52	
			A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	49	
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	40-47, 49-52	
	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.	48-49	
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.		48-49		

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"Comply or Explain" Provisions			
Category	Aspect	KPI	Pages
Social	B1 Employment	General Disclosure: Information on: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	68-73
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	83
		B1.2 Employee turnover rate by gender, age group and geographical region.	84
	B2 Health and Safety	General Disclosure: Information on: relating to providing a safe working environment and protecting employees from occupational hazards. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	69-70
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	84
		B2.2 Lost days due to work injury.	84
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	69-70
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	72-73
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). B3.2 The average training hours completed per employee by gender and employee category.	84 84
	B4 Labor Standards	General Disclosure: Information on: relating to preventing child and forced labor. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	68, 70
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	68, 70
		B4.2 Description of steps taken to eliminate such practices when discovered.	68, 70
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	53
		B5.1 Number of suppliers by geographical region.	53
		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.	53

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"Comply or Explain" Provisions			
Category	Aspect	KPI	Pages
Social	B5 Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	53
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	53
	B6 Product Responsibility	General Disclosure: Information on: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	29, 54-67
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
		B6.2 Number of products and service related complaints received and how they are dealt with.	66-67
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	29
		B6.4 Description of quality assurance process and recall procedures.	Not Applicable
	B7 Anti-corruption	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	64-66
		General Disclosure: Information on: relating to bribery, extortion, fraud and money laundering. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	23-28
		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.	29
	B8 Community Investment	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	29
		B7.3 Description of anti-corruption training provided to directors and staff.	27-28
		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.	74-76
	B8 Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	73-79
		B8.2 Resources contributed (e.g. money or time) to the focus area.	73-79, 85

## Privacy Policy

### How to Access and Manage Your Personal Information

In accordance with the relevant laws, regulations and regulatory requirements of China, the Bank guarantees that you may exercise the following rights on your personal information:

#### Access, Correct and Update Your Personal Information

You have the right to access, correct and update your personal information through channels such as the Bank's portal website, online banking, mobile banking, WeChat banking and counter, unless otherwise stipulated by laws and regulations. You are accountable for updating your personal information in time. Your identity will be verified by the Bank before you modify your personal information.

1. After logging in to mobile banking, you may query and modify your basic information in "Settings - Personal Information Settings", including updating your certificate information, permanent address and occupation; query and modify your security settings in "Security Center", including equipment management, modifying login password, switching on/off gesture password, switching on/off fingerprint password, fingerprint/face transfer payment, limit management, anti-theft security lock, security authentication, enhanced transfer business verification, face payment management and full payment management; manage the bound bank card and open an electronic account in the "Account" function; manage account status, and set default account, account alias, account status, account limit, account downgrade, small secret-free setting, smart security lock and full payment in "Account Management".

Quick payment management - quick payment is an authorized payment service launched by China CITIC Bank for third-party payment institutions and some high-quality merchants. For personal customers with a current savings account or credit card account of China CITIC Bank, after the quick payment function is activated through third-party authorization, there is no need to jump to the payment page of China CITIC Bank when customers process payment business through third parties, and the payment can be directly completed after customers pass the third-party security verification. The quick payment management business includes the functions to query, bind and unbind fast payment binding accounts.

2. After logging in online banking, you may modify your personal information, set private questions, switch on/off mobile banking, set transfer limit and manage certificates in "Customer Service - Security Settings".

#### Delete Your Personal Information

You may directly clear or delete the information on the product or service page of the Bank, including bank card binding, message records, cache records, search records, etc. You may choose the following path for specific deletion: Deletion of "Bank Card Binding": Mobile Banking APP - Mine - My Account - Settings (upper right corner) - Delete Account. Deletion of "Message Records": Mobile Banking APP - Mine - Message Center (upper right corner) - Message Classification - Edit (upper right corner) - Select - Delete button. Deletion of "Cache Records": Mobile Banking APP - Mine - Settings - Clear Cache. Deletion of "Search Records": Mobile Banking APP - Search Box - Delete button (right of the historical search field).

In the following circumstances, you may request the Bank to delete personal information:

1. The Bank processes your personal information in violation of laws and regulations or regulatory requirements;
2. The Bank collects and uses your personal information without your consent;
3. The Bank processes your personal information in violation of the agreement with you;
4. You no longer use the products or services of the Bank or you cancel the relevant account;
5. Other circumstances stipulated by laws and regulations.

With decision to respond to your request for deletion, the Bank will notify the entities that have obtained your personal information from the Bank and ask them to delete such information in time, unless otherwise stipulated by laws and regulations or required by regulatory authorities or these entities have obtained your independent authorization.

After you delete the mobile banking APP on a mobile device, the information on the mobile device will be deleted, but the personal information in the back office has not been deleted. You may cancel the e-banking user through the following path "Mobile Banking APP - Mine -Settings - China CITIC Bank Pass Settings - China CITIC Bank Pass Cancellation" to delete your personal information from the Bank's service. The Bank may not immediately delete the corresponding information in the backup system when you delete your information from the Bank's service, but it will delete such information when updating backup, except for the information required to be kept by the regulatory authorities.

If the Bank no longer provides you with products or services, it will delete your personal information, except the information required to be kept by laws and regulations and regulatory requirements.

#### Change Your Scope of Authorization Permission

Every business function needs to be completed based on some basic personal information. For the collection and use of additional personal information, you may switch on or off the location service permission, microphone permission, camera permission, storage permission, device information permission, address book reading permission and calendar permission through the Mine - Settings - System permission function in the Mobile Banking APP according to different brands and models of mobile phones, and give or withdraw your authorization permission at any time.

Please note that when you cancel the Bank's e-banking service independently, it will be deemed that you have withdrawn your consent to this policy. For example, if you cancel the Bank's mobile banking service, it will be deemed that you have withdrawn your consent to the *Privacy Policy* for mobile banking of the Bank. Upon your withdrawal of consent, the Bank will no longer process the corresponding personal information. However, your withdrawal of consent will not affect the previous personal information processing based on your authorization.

#### User Cancels China CITIC Bank Pass

If you have registered as a user of China CITIC Bank Pass, you may cancel your China CITIC Bank Pass

through the Bank's mobile banking in a self-service manner.

1. To cancel China CITIC Bank Pass, you may download the Bank's mobile banking client, start the client, log in to your account, find "China CITIC Bank Pass Cancellation" in "Mine" - "Settings", and then cancel the China CITIC Bank Pass after completing the login password, security authentication mobile phone number or USBkey verification.

Your cancellation of China CITIC Bank Pass is irreversible. Once you cancel your China CITIC Bank Pass, simultaneous operation is made through channels such as your mobile banking, personal online banking, WeChat banking and portal website. The Bank will no longer collect your personal information through channels such as mobile banking, personal online banking, WeChat banking and portal website, and will delete all your China CITIC Bank information, except for the personal information with storage time otherwise stipulated by laws and regulations or regulatory authorities.

2. If you only temporarily stop using mobile banking/personal online banking, you may choose to suspend or close the mobile banking/personal online banking channel. After suspending or closing mobile banking and personal online banking, your information about China CITIC Bank Pass will not be deleted.

Please note that when the registered users of China CITIC Bank Pass only delete the mobile banking client APP on their mobile devices, the Bank will not cancel your China CITIC Bank Pass, and all the information about your China CITIC Bank Pass will not be deleted. If you need to cancel your China CITIC Bank Pass, you still need to go through the above procedures for cancellation. Cancellation of China CITIC Bank Pass will not automatically cancel your quick payment binding. You may unbind it in the one-click card binding field or the third-party payment institution.

### Restrain Information System Automatic Decision-making

In order to provide you with a better experience, the Bank may predict your preference characteristics through algorithm models according to your identity information, transaction information, visit footprint and historical search, and match the products, services or other information that you may be interested in to show you. For example, when you want to know about and use the loan and relevant services on the China CITIC Bank APP, the Bank will specially display the loan-related products on the home page of the loan channel, in order to match the loan-related products that you may be interested in. This personalized display is given after comprehensive judgment based on your current asset information, position information, historical transaction information, browsing and clicking information of China CITIC Bank, etc. Meanwhile, if you do not need this kind of information, the Bank also provides content displayed without personalized recommendation algorithm: You may click to turn off the "Personalized Recommendation" option in "Mine - Settings - Personalized Settings" in the China CITIC Bank APP. When this option is turned off, the Bank will no longer show your personalized recommendation through automatic decision-making.

### Respond to Your above Request

If you cannot access, correct or delete your user information through the above methods, or you need to access, correct or delete other user information generated when you use the Bank's services or functions, or you think that the Bank has violated any laws and regulations or agreement with you on the collection or use of user information, you may contact us through the contact information in this policy for manual handling to be provided. In order to ensure safety,

in case of manual handling required, the verification and handling will be completed within the promised time limit of 15 working days. In principle, the Bank will not charge for your reasonable request, but a certain cost will be charged for repeated requests that exceed the reasonable limit as appropriate. The Bank may refuse any illegal or rule-violating request that lacks justifiable reasons, may be repeated without reason, requires too many technical means (for example, new system development or existing practices fundamental change), brings risks to the legitimate rights and interests of others, or is very unrealistic.

Despite the above agreement, in accordance with the requirements of laws and regulations, the Bank may not be able to respond to your request in the following circumstances:

1. It is related to the Bank's performance of obligations stipulated by laws and regulations and regulatory requirements;
2. It is related to national security and national defense security;
3. It is related to public safety, public health and major public interests;
4. It is related to criminal investigation, prosecution, trial and judgment execution;
5. There is sufficient evidence to show that you have subjective malice or abuse of rights;
6. Responding to your request will cause serious damage to the legitimate rights and interests of you or other individuals or organizations;
7. It is related to the trade secrets of the Bank;
8. Other circumstances stipulated by laws and regulations and regulatory requirements.

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## Feedback Questionnaire

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To help us better understand your needs, improve the quality of the CSR report and provide you and other stakeholders with more valuable information, we would like to invite you to fill in the Feedback Questionnaire and send it back to us either by facsimile or by mail delivery (please kindly indicate "Feedback Questionnaire about China CITIC Bank CSR Report" on the envelope if you choose mail delivery).

Tel.: 010-66638188      Email: ir@citicbank.com

Address: Head Office of China CITIC Bank, Yard No.10 Guanghua Road, Chaoyang District, Beijing

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1. For China CITIC Bank, your stakeholder category is:

Government    Shareholder    Customer    Supplier    Employee    Community

2. Your overall view of the Report is:

Excellent    Good    General

3. How do you think about the quality of the information on environmental, social and governance (ESG) disclosed in the Report?

Excellent    Good    General

4. Do you think that the Report has comprehensively reflected China CITIC Bank's performance of Environmental, Social and Governance?

Yes    General    No

5. Do you think that the Report can comprehensively respond to the expectations and demands of stakeholders of China CITIC Bank?

Yes    General    No

6. Which part of the Report are you most interested in?

Supporting the Real Economy    Implementing Inclusive Finance    Promoting Green Development

High-quality Customer Service    Putting People First    Committed to Community Service

7. What other valuable suggestions do you have for report preparation and duty performance?

Thank you sincerely for your concern and support for China CITIC Bank!

End



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District, Beijing

Postal Code: 100020

Client Service Hotline: 95558

Website: <http://www.citicbank.com>

