
China CITIC Bank
Modern Slavery and Human Trafficking Statement
2021

Introduction

1. This document constitutes the modern slavery and human trafficking statement (the "**Statement**") of China CITIC Bank Corporation Limited (the "**Bank**", or "**CNCB** ") for the financial year beginning 1 January 2021 and ending 31 December 2021.
2. The Bank has a London branch carrying out its business in the UK, and, as the Bank has an annual turnover of over £36 million, it is subject to the UK Modern Slavery Act 2015.
3. The Bank recognises its responsibility and is fully committed to preventing slavery and human trafficking in its corporate activities and its supply chains. The Bank requires its overseas branches strictly to abide by the laws and regulations of the countries (regions) in which they are registered. As such, this Statement should be regarded as reflective of the zero tolerance approach taken by the Bank to modern slavery and human trafficking in its business and supply chains.

Our Business and Supply Chains

4. Founded in 1987, the Bank is one of the earliest established joint-stock commercial banks following China's Reform and Opening. The Bank is listed on the Shanghai and HKEX, and has over 1,400 branches and affiliated outlets in mainland China, Hong Kong SAR, London and elsewhere.
5. The service suppliers to the Bank include: other banks; non-banking financial institutions; third-party managers and trustees; accounting firms; law firms and other specialised service suppliers in the financial sector; IT contractors; human resources firms and other suppliers of office services such as third-party commercial real estate, cleaning and office supplies.

Relevant Policies

6. As a bank registered in China in accordance with Chinese laws, the Bank observes relevant requirements specified in applicable laws and regulations in all business transactions and economic activities. The policies formulated by the Bank and the employment contracts signed with employees are in compliance with the provisions specified in the Labour Law of the People's Republic of China. The Bank requires its overseas branches strictly to abide by the laws and regulations of the countries (regions) in which they are registered.
7. The Bank operates the following policies that describe its approach to the identification of modern slavery risks and measures taken to prevent slavery and human trafficking in its business operations:
 - **China CITIC Bank Employee Code of Conduct** sets out key principles and specific conduct requirements for all staff members, including adherence to relevant employment laws and contracts; respect and fair treatment of others; right to reject any instructions considered to be illegal, and right to escalate concerns whenever appropriate.
 - **China CITIC Bank Employee Conduct Policy** sets out the procedure for managing employee conduct, in particular monitoring, identifying, recording, processing, reporting and assessment to ensure that any behaviours which violate the law and the Bank's policies are identified at an early stage and are

dealt with appropriately.

- **China CITIC Bank Whistleblowing Policy** requires that all staff members report to management any behaviour which is inconsistent with the **CNCB Employee Code of Conduct**, internal policies or is unlawful, including any concerns about slavery, human trafficking or other human rights abuses.

Throughout 2021 and to the date of this Statement, the management of CNCB has not received reports or concerns regarding slavery or human trafficking in its business operations.

- **China CITIC Bank Outsourcing Policy** requires for control of the employment risk associated with outsourcing and assessment of the qualifications of outsourced staff. Due diligence of the prospective service provider is required before any outsourced relationship is established. Factors including reputation, culture, qualification and close links must be considered when carrying out the risk assessment and adequate risk control measures must be put in place.
- **China CITIC Bank Procurement Policy** sets out the procurement procedure and requirements for supplier selection, including the requirement for classification, review, assessment and complaint handling processes.
- **China CITIC Bank Centralized Procurement of Suppliers Policy** sets out the minimum standards expected of suppliers, i.e. those accepted onto our panel list must not have been subject to any legal breach or adverse report relating to social responsibility in the past three years. Suppliers are assessed periodically and are monitored for adverse reports and/or misconduct.
- **China CITIC Bank Recruitment Policy and China CITIC Bank Employment Contract Policy** make clear that all employment must comply with the China Labour Law and prevailing local regulations. No recruitment of child labour or the under sixteens is permitted; all forms of forced or compulsory labour are prohibited in accordance with the China Labour Law.

Modern Slavery Due Diligence Processes and Steps taken to manage risk

Employment

8. Pre-employment checks include age, identification, right to work, experience, qualifications, evidence of good conduct and ethics, as well as a check for evidence of adverse conduct. In order to mitigate breach of prevailing labour/employment laws and regulations, and the risk of modern slavery and human trafficking, relevant information is obtained about prospective employees through interview and by adequate due diligence.

The Bank has implemented a standard contract template which includes clauses meeting the requirements of relevant laws and regulations, including provisions for working hours, remuneration, allowances, labour protection, occupational hazard protection and dispute resolution. Salary/wages are subject to minimum requirements established by laws and regulations.

Supply Chain

9. In the previous financial year, the Bank took various steps to assess and manage a diverse range of risks in supply chains, by conducting due diligence of service providers and sometimes engaged expert independent third-party companies to assist in the process. The risk assessment and oversight included ongoing supervision and management of third party vendors/suppliers in accordance with prevailing local laws and regulations.

Due diligence of third-party vendors/suppliers seeks to establish any breach of

relevant labour/employment law, matters regarding slavery, forced labour or child labour, and also any material adverse reports regarding social responsibility.

10. In the previous financial year, the Bank compiled a list of all key suppliers and conducted a risk rating based on the assessment of suppliers' social responsibility, records / evidence of any breaches of laws and regulations, relating to modern slavery, forced labour and child labour.
11. In accordance with the China CITIC Bank London Branch 2021 Internal Audit Plan, Internal Auditor BDO LLP has performed a third party and outsourcing management at the Branch. This area of activity was compared to industry good practice and relevant regulatory guidance issued by the Prudential Regulation Authority ("PRA"). BDO has concluded that the Branch has established some good controls over the outsourcing and third party arrangements and is generally satisfactory. Taking into account BDO's suggestion, the Branch has incorporated Modern Slavery into its risk assessment of third parties.

Risk Assessment

12. The Bank, as a financial institution incorporated in China, is committed to complying with the country's regulatory and local legislation requirements in its business transactions and contracts. Given this, the Bank considers that its risk in respect of modern slavery, in all jurisdictions within which it operates, is low.
13. Our assessment also demonstrates that the Bank's suppliers are low risk, because they are predominately professional services firms including other banks, non-bank financial institutions, third-party administrators and custodians, accountancy, law firms, consulting firms, as well as office supplies, special banking equipment, IT equipment and service vendors and outsourcing service providers,

In view of the above, the Bank considers that it is at low risk of any breaches in connection with modern slavery and human trafficking.

Training

14. The Bank follows closely regulatory developments in the anti-slavery and human trafficking area. Updated legal advice to ensure full compliance with modern slavery and human trafficking related obligations is always shared with staff in key positions across the major jurisdiction in which the Bank operates, including the United Kingdom. In the last financial year, special training in the areas of Group centralised procurement, HR compliance and employment law was delivered to relevant staff.

Key Performance Indicators (KPIs)

15. In order to assess the effectiveness of the measures taken the Bank will continue to review the following key performance indicators:
 - The number and nature of major and minor incidents of non-compliance reported by Compliance or Internal Audit;
 - The number and nature of incidents reported through the Bank's internal incident reporting (Whistle blowing) systems.

The KPI metrics are collected and are considered by the Board of the Bank periodically.

This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It has been approved by the Board of Directors of the Bank.

This Statement will be published on the Bank's website: [www. citicbank.com].

Signed by:

Director (Issuer)

Name: FANG Heying



China CITIC Bank Corporation Limited

Date: 2022.6.28