

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



Board Statement

The Board of Directors of our company adheres to the requirements of the Hong Kong Stock Exchange and continuously explores and improves the organisational structure and system of ESG management, strengthening the Board's involvement in the company's ESG management. The Board and all Directors confirm that this report does not contain any false records, misleading statements or major omissions, and make the following statement regarding the Board's ESG supervision and management work:

Roles of the Board of Directors

The Board of Directors at CITIC Limited takes ultimate responsibility for the company's ESG strategy and reporting. To ensure the company's commitment to and performance on key ESG issues, the board's Audit and Risk Committee works alongside other specialized committees and functional departments to incorporate ESG management into internal control, risk management, strategic planning, and other areas. In 2022, the Board proposed several constructive suggestions to the management regarding ESG work, including strengthening top-level design, increasing workforce, paying attention to climate change risks, and conducting roadshows and reverse roadshows for investors. The management has carefully studied and implemented these suggestions.

ESG Management Policy

Our company regularly discusses and assesses ESG risks and opportunities in alignment with our reform, development, operational, and management practices, as well as the concerns of our stakeholders. We remain unwavering in our commitment to improving relevant ESG strategies and policies. Given the significant impact that ESG issues may have on our organisation, we employ various communication channels such as information disclosure, workshops, dialogues, industry conferences, performance releases, and questionnaires to enhance communication among all parties. In addition, we conduct an annual analysis of the importance of ESG issues that are of concern to our stakeholders to ensure that we can effectively respond to their expectations and meet their needs.

Review of ESG Objectives

Our company and its subsidiaries have established annual, mid-term, or long-term management objectives for key ESG issues, such as carbon peaking and carbon neutrality, comprehensive risk management system development, clean technology investment, and R&D investment. These objectives have been reviewed by the Board of Directors, and progress toward them will be reviewed on regular basis. In 2022, we conducted multiple training sessions for management and employees on various topics related to ESG, including climate change risks, ESG ratings in capital markets, ESG development trends, and anti-corruption. Our goal is to continuously enhance our accountability and improve our performance in fulfilling our ESG responsibilities.



About this Report

This report is the 9th annual ESG report released by CITIC Limited, which details the company's ESG management and performance in areas such as compliant operations, green development, technological innovation, employee management, customer service, and community outreach in 2022. The company is committed to the truthfulness, accuracy, and completeness of the report's content. To ensure the scientific and credible nature of ESG performance indicators, the company has engaged KPMG Huazhen LLP to conduct limited assurance procedures on selected key data in this report and issue an independent assurance report.

Scope and Period of the Report

Unless otherwise specified, the scope of disclosure in this report is consistent with the annual report and the *2021 Environmental, Social and Governance Report*. The statistical time frame for key performance indicators presented in this report ranges from January 1st, 2022 to December 31st, 2022, with some content extending to March 31st, 2023. This report has been reviewed and approved by the Board of Directors on March 31st, 2023.

Reporting Principles

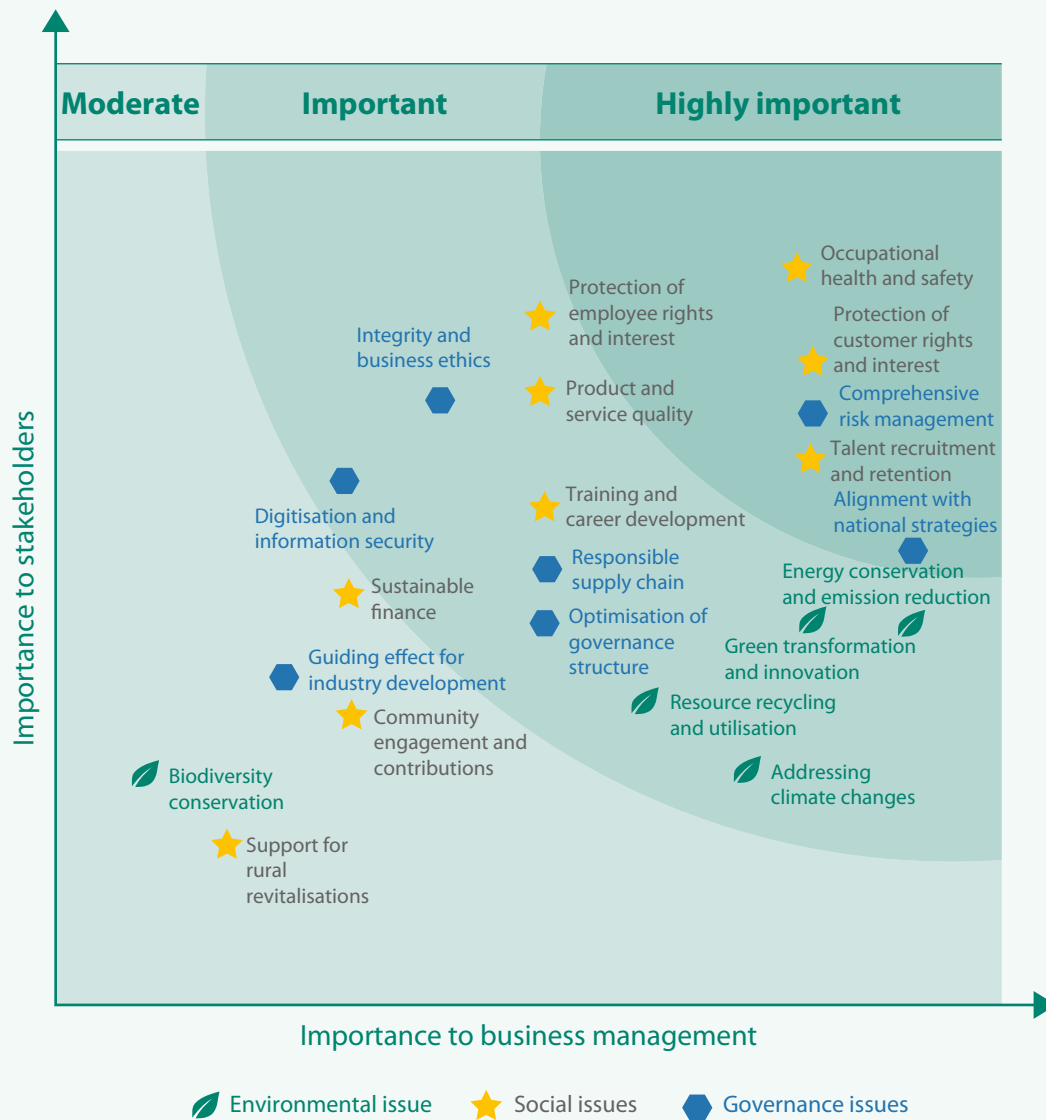
This report follows the principles of importance, quantification, consistency, and balance set forth by the Hong Kong Stock Exchange in its preparation.

Importance

We have identified 20 key ESG issues by engaging in regular communications with stakeholders, following HKEX ESG guidelines, and monitoring global ESG priorities. We assessed the relative importance of these issues to our key stakeholders through questionnaires and other means. Based on these evaluations, we have identified the key issues, including occupational health and safety, customer rights protection, comprehensive risk management, and talent recruitment and retention. This report addresses these key ESG issues in response to stakeholders' concerns.



2022 CITIC Limited ESG Issue Importance Matrix



Quantification

This report provides quantified disclosure on the applicable ESG key indicators, and discloses the statistical standards, methods, assumptions and/or calculation tools, as well as the sources of conversion factors for emissions/energy consumption.

Consistency

Unless otherwise specified, this report maintains consistency in the statistical methods or key performance indicators presented, without any significant changes or factors that may affect meaningful comparisons.

Balance

This report adheres to the principle of balance and presents the ESG management performance during the reporting period in an objective manner.

Honors and Awards

Award Type	Honors and Awards Received
 <p>Comprehensive awards</p>	<p>CITIC Bank ranked 21st in the Top 500 World Banking Brands Leaderboard and its Tier 1 capital ranked 19th in the Top 1000 World Banks as published by the British financial magazine <i>The Banker</i>.</p> <p>CITIC Dicastal was awarded “Top 100 Comprehensive Enterprises in the Chinese Foundry Industry”. It ranked 50th on the 2022 Top 100 Global Auto Parts Suppliers list published by <i>Automotive News</i>.</p>
 <p>Corporate governance awards</p>	<p>CITIC Bank was awarded the “Most Socially Responsible Bank of the Year” by Stock Star, recognized as an “Outstanding ESG Practice Case of Listed Companies” by the China Association for Public Companies, and received the “ESG Pioneer Award” from Cailian Press. It was also selected as an “Excellent Corporate ESG Case for Inclusive Finance” by Xinhua Net and the China Enterprise Reform and Development Society.</p> <p>CITIC Securities was awarded the “Best Investment Bank for ESG Practices” and “Best Investment Bank for New Energy Industry” at the The 15th New Fortune Best Investment Bank Selection, the “Best ESG Practice Case of A-share Listed Companies” by the China Association for Public Companies, the “Green Development Award” at the 17th People’s Corporate Social Responsibility Awards, and the “Best ESG Listed Company” at the 12th China Securities Golden Bauhinia Awards. CITIC Securities was also named one of the “Top 100 Most Valuable Listed Companies” and “Top 100 Listed Companies for ESG Practices” by <i>Securities Times</i> for the 16th Most Valuable Listed Companies in China.</p> <p>China Securities has won the <i>China Securities Journal</i> Golden Bull Award for Social Responsibility Practices, by the Chinese Securities Industry.</p> <p>CITIC Trust was awarded the “Best Social Responsibility Practice Enterprise for 2022” by Finance. China.com.cn and also won the “ESG Pioneer Award” at the 2022 Cailian Press.</p> <p>CITIC Resources was honored with the “ListCo Excellence Awards 2022”, which was co-organized by Am730 and PR ASIA with the full support of iFeng.com Hong Kong Stock.</p> <p>CITIC Environment has been recognized by <i>China Environmental News</i> as a “China Environmental Protection Social Responsibility Enterprise” for seven consecutive years and was selected as one of the “10 Best Corporate Public Welfare Cases” by Sina.</p>

Award Type	Honors and Awards Received
 <p>Environmental awards</p>	<p>CITIC Limited was awarded as the “Leader in China’s Industrial Carbon Peaking”, ranking on the top of the list.</p> <p>CITIC Bank has been honored with the “Top Performer in Green Bank Evaluation” by the China Banking and Insurance Regulatory Commission and the China Banking Association. CITIC Carbon Account has been selected as a brand for the Brand Power programme by CCTV, a case study for “Global Corporate Social Responsibility”. It has also received the “Global Green Finance Award-Innovation Award” at the 3rd International Financial Forum (IFF), and the “Green Finance Pioneer Innovation Award” from Shenzhen SEZ Society for Finance and Banking. CITIC Bank (International) was awarded the “Outstanding Lead Bank in Green and Sustainable Bond with Visionary Sustainable development Bond Framework (in the category of urban construction and investment sector)” by the Hong Kong Quality Assurance Agency.</p> <p>The renovation project of Capital Mansion by CITIC Heye has won the “RICS Awards China 2022” in Urban Renovation category.</p> <p>CITIC Environment has been awarded the “Outstanding Environmental Practice Case for Enterprise ESG in 2022” by Xinhua Net.</p>
 <p>Social awards</p>	<p>CITIC Limited was selected as the “Best Employment Partner” by the School of Economics, Fudan University; CITIC Securities was named the “Best Employer” by the Guanghua School of Management, Peking University.</p> <p>CITIC Bank received the “Small and Medium-sized Investor Relations Interaction Award” from p5w.net and “Annual Pension Financial Services Bank” from Securities Times. Its rural revitalisation case was selected as an “Innovative Case of Rural Revitalisation” by the People’s Daily Economic Research Institute.</p> <p>China Securities was awarded the “Top 10 Securities Companies for Serving the Listing of Science Innovation Enterprises” and the “2022 China Securities Industry Fintech Golden Bull Award”.</p> <p>CITIC Pacific was awarded the “Outstanding Award for Public Welfare” and “Annual Honor Award” by the Community Chest of Hong Kong. The company received the “Caring Company Logo” from the Hong Kong Council of Social Service for seven consecutive years, for its commitment to caring for the community as a business entity for 5 years or more. CITIC Pacific also received the Bronze Award for “Excellence in Early Career Development” and “Excellence in Leadership Development” from Human Resources Online.</p> <p>CITIC Pacific Special Steel has 14 products that were listed on the physical quality brand cultivation product list of China Iron and Steel Association. Among these products, one was awarded as “Gold Cup Supreme Quality Product” and 12 others were awarded “Gold Cup High Quality Product”. Two projects undertaken by Xingcheng Special Steel, a subsidiary of CITIC Pacific Special Steel, have won the first prize in Metallurgical Science and Technology from the China Iron and Steel Association and the Chinese Society for Metals.</p> <p>CITIC Heavy Industries has won 12 technology awards and approved with two innovation platforms above provincial level</p> <p>CITIC Dicastal has won the China Machinery Industry Science Progress Award, the third prize in the Science Progress Category, and the “Outstanding Innovative Achievements in China’s Automotive Supply Chain in 2022” by the China Association of Automobile Manufacturers for its “High-Strength Lightweight Spun-forged Aluminum Alloy Wheel” project. It was also named the “2021 Lighthouse Case for Digital Transformation” at the 8th China Industry Internet Conference.</p>

Award Type

Honors and Awards Received

Social
awards

CITIC Construction was awarded the AAA enterprise credit grade, which is the highest certificate of enterprise credit grade in the construction industry for 2022 and was named a “Leading Enterprise for Social Responsibility Practices” by the China International Contractors Association. The Maysān combined-cycle power plant in Iraq was successfully put into operation and praised by the Iraqi Prime Minister Mustafa al-Kadhimi as a shining example of cooperation between China and Iraq.

CITIC Engineering’s Intelligent Construction Platform Project was selected as a pilot demonstration for the integration and development of new-generation information technology and manufacturing by the Ministry of Industry and Information Technology in 2022. Seven projects won the Achievement Award from the Green Building Work Committee of the China Association of Construction Enterprise Management, and three projects won the China Steel Structure Gold Award. The EPC project of Grushu waterplant Phase II in Shenzhen was shortlisted for the FIDIC Project Awards.

CITIC Tower received one of the first batch of the China Installation Project Quality Awards (China Installation Star) from the China Association for Installation and the first batch of the National Quality Engineering Gold Award from the China Association of Construction Enterprise Management.

CITIC Press has won 252 significant awards from the publishing and media industry.



ESG Management

As a comprehensive enterprise with a global reach and diversified business portfolio, CITIC Limited is confronted with ever more complicated ESG risks and challenges, which underscores the need for higher ESG management standards. In 2022, the company conducted a thorough analysis of its reform, development, and operational management practices, as well as the key concerns of its stakeholders, to determine the risks and opportunities in the ESG field. Through the implementation of a sound organisational structure, robust institutional framework, and detailed targets and measures, the company promoted ESG work at all levels of the organisation and made significant strides in improving ESG management and practices.

Organisational Structure

The company has set up a three-tier ESG management system, comprising the Board of Directors, management, and implementation. The Board of Directors provides guidance for the company's ESG work, while also supervising and evaluating the performance of the management. The management is in charge of coordinating all ESG-related work and for guiding and overseeing the implementation process. The functional departments at the headquarters and the subsidiaries are responsible for implementing specific ESG tasks.

Board of Directors

- The Board of Directors has the responsibility to fulfill the statutory ESG supervisory duties in compliance with national laws, regulations, and regulatory requirements. This includes evaluating and determining the company's ESG risk preferences, conducting an annual review of the sufficiency of ESG-related resources and training, assessing the ESG risk situation, and reviewing the work scope and the company's annual ESG report.

Board of Directors

Management

Implementation

Implementation

- The General Department leads all ESG-related work throughout the organisation and is responsible for overall coordination.
- The headquarters' functional departments are responsible for the centralized management of ESG work. They manage ESG work in their respective areas, adhering to relevant respective and practical needs.
- Each subsidiary is responsible for implementing ESG work within its own organisation and guiding affiliated companies to follow suit.

Management

- Study and develop ESG plans, major projects, and comprehensive systems, and present them to the Board of Directors for review.
- Examine and approve ESG reports and assessments of the importance of ESG issues, and submit them to the Board of Directors for review.
- Approve ESG special regulations, annual work plans, and other important documents related to ESG management.
- Provide regular reports to the Board of Directors on the status of ESG work, including compliance with national and regulatory requirements, progress on work objectives and plans, and responses to investor demands.
- Deliberate on other important matters related to ESG management as needed.

✦ Incorporating ESG into Our Strategy

In 2022, we introduced our company's "14th Five-Year Plan", covering all five major business sectors as well as talent development, business collaboration and synergy, digitalisation, technological advancements, and risk management. We've incorporated ESG concepts such as compliance, green and low-carbon development, anti-corruption, and shared prosperity into all of these plans. In the *14th Five-Year Plan for the New-Type Urbanisation Sector*, we have clearly stated our commitment to an ecological-oriented model, which aims to promote human-centeredness, low-carbon development, as well as efficacy and efficiency in the construction of smart cities. We have integrated climate change risk management into our comprehensive risk management system, with particular emphasis on addressing climate-related transformation risks in the *14th Five-Year Plan for Risk Management*, thus actively assessing and managing relevant risks through environmental risk analysis.

✦ Comprehensive Management Systems

We have established comprehensive management systems in various areas such as energy conservation and emissions reduction, green finance, clean technology development, overall risk management, protection of employee rights and interests, supply chain management, anti-corruption, consumer rights protection, and charitable donations, both for our company and subsidiaries. To ensure effective implementation, our headquarters have issued the *Compilation of Important Company Systems*. This compilation includes 157 important systems covering 12 aspects such as corporate governance, strategic and investment management, financial management, personnel management, and risk and compliance management. We review the implementation of these systems on a regular basis to ensure their effectiveness. In March 2023, we made revisions to the compilation by adding and updating 36 important systems. We intend to make these management systems available on our official website to facilitate better supervision by all stakeholders.

✦ Corporate Accountability Requirements

In 2023, we issued the *CITIC Limited ESG Guidelines*, which provide a clear framework for our ESG work principles, organisational structure, management responsibilities, ESG issues management and practical requirements, stakeholder management, as well as assessment and supervision. In particular, we have benchmarked international standards such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs), and combined them with the actual situation of our five major sectors to propose more rigorous, advanced, and targeted accountability requirements.

✦ ESG Research and Publicity

CITIC Bank, CITIC Securities, and China Securities, among other subsidiaries, have conducted extensive research on green finance, ESG investment, and related topics (please refer to the sustainability or ESG reports of relevant subsidiaries for more details). In 2022, CITIC Press planned and published several books on the "Dual Carbon strategy", including *Carbon Neutrality and Green Financial Innovation*, *Financial Support for Carbon Peaking and Carbon Neutrality*, *Speed & Scale: A Global Action Plan for Solving Our Climate Crisis Now*, and *Green Growth under Dual Carbon Goals*. Furthermore, CITIC press partnered with Sina to organize the "2022 ESG Global Leaders Summit". This summit attracted 135 scholars, experts, and entrepreneurs from 20 countries, representing top organisations, companies, academia, finance, and investment institutions in the global ESG industry. The summit's video garnered over 90 million views on the internet.



Compliance and Risk Control: Our Commitment to Prudent Operation

To effectively prevent and resolve major risks, we have implemented comprehensive risk management and coordinated planning, while continuously improving our risk management practices. We attach great importance to anti-corruption and have established a comprehensive supervision system as well as a sound anti-corruption system to strictly crack down on all kinds of corruption issues and behaviors that violate business ethics. With the support of a rigorous supervision system, a sound auditing mechanism, as well as continuous cross-checks through employee code of conduct reviews and special inspections on fund utilisation, we are able to achieve a full supervision coverage of all employees at least once every three years to ensure that they adhere to integrity, honesty, and ethical business practices.

Comprehensive Risk Management

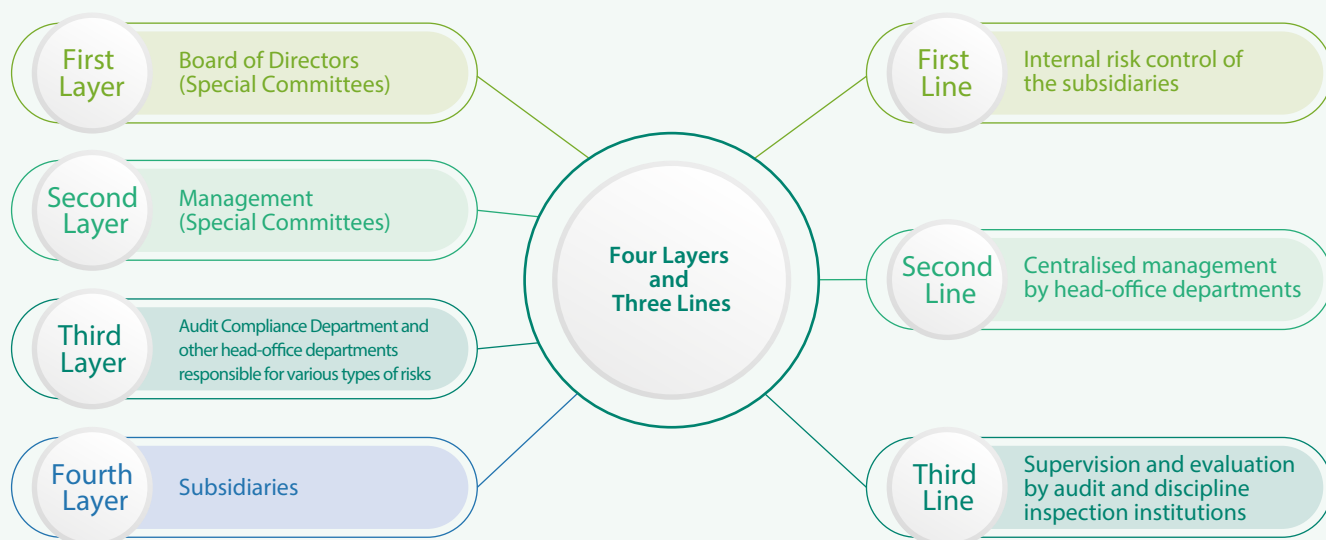
We have created a strategic framework for risk management, which serves as the basis for establishing a comprehensive risk management system that covers five key areas: organisation, policies, processes, technology, and culture. In addition, we have planned out three implementation stages in a systematic manner.

Stag 1: Establishment & Implementation 2021-2022	Stage 2: Consolidation & Improvement 2023-2024	Stage 3: Comprehensive Deepening 2025
<p>Complete the construction of a comprehensive risk management system in accordance with the strategy of "Prioritizing Financial Sectors and Following up with Industry Sectors". The goals set for this stage have been successfully accomplished:</p> <ul style="list-style-type: none"> ✓ Put in place a sound risk management organisational structure and establish a comprehensive risk management system ✓ Achieve standardized risk management throughout CITIC Financial Holdings, with a focus on deepening risk management in financial subsidiaries and strengthening risk management in the industrial sector ✓ Conduct a trial run of our risk preference strategy ✓ Ensure that the capital adequacy ratio of financial subsidiaries reaches the industry average level ✓ Establish a sound risk management system for the industrial sector ✓ Establish a unified mechanism for credit extension and risk management of major customers 	<p>Continue to improve the risk management system:</p> <ul style="list-style-type: none"> ✓ Continue to enhance risk governance by reviewing and improving management systems and processes ✓ Enhance risk preference management, the unified mechanism for credit extension, and risk management of major customers while strengthening the capability of early warning ✓ Ensure the capital adequacy ratio of financial subsidiaries meets or exceeds the industry standard ✓ Further improve the risk management organisational structure of industrial subsidiaries to strengthen risk control in critical areas ✓ Strengthen risk management for overseas operations ✓ Expand the functions and management scope of the risk management system 	<p>Deepen the construction of the risk management system:</p> <ul style="list-style-type: none"> ✓ Achieve stable operation of risk management policies, systems, and processes, forming a good risk and compliance culture ✓ Achieve comparable industry-leading levels in corporate governance, capital adequacy, and non-performing asset ratio while establishing a financial service system that meets the requirements of high-quality economic development at financial subsidiaries ✓ Improve risk warning and risk handling capabilities, while ensuring sufficient and effective risk monitoring at industrial subsidiaries ✓ Enhance the supporting technical capabilities for the risk management system

Risk Management Model

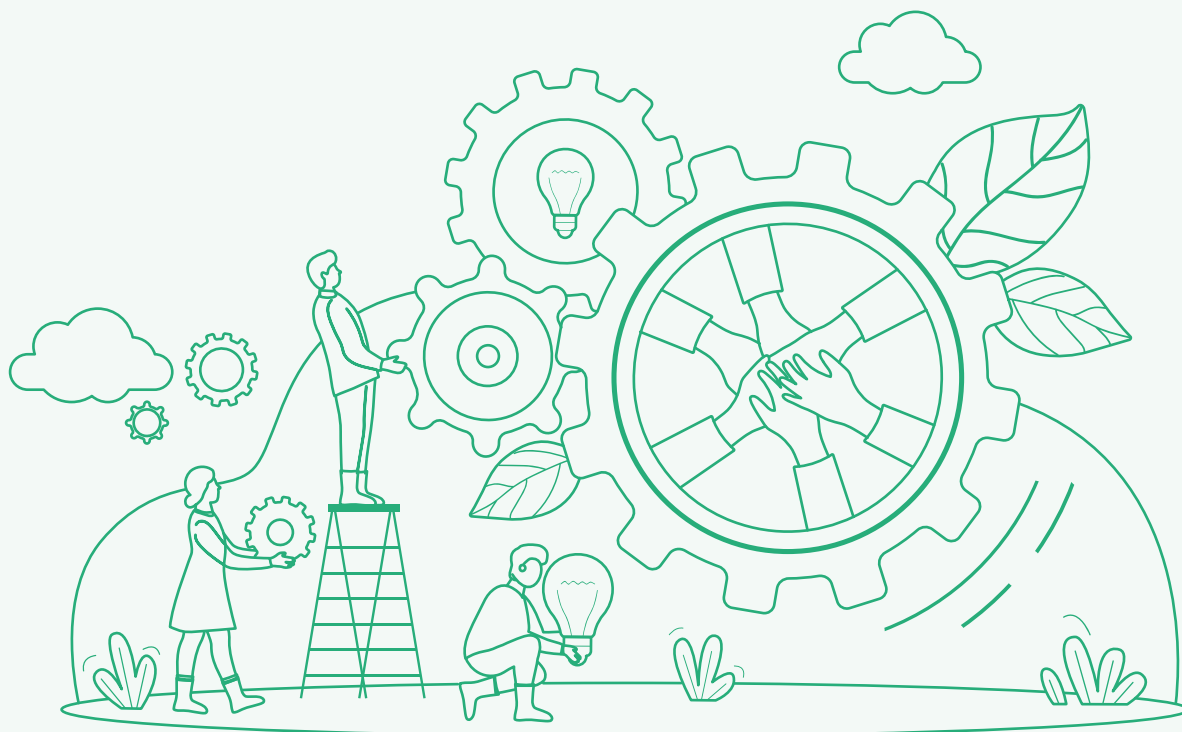
We have established a risk management organisation structure based on “Four layers and Three lines”. We have also developed a comprehensive risk management model that involves “centralised management by head office departments + institutionalised management by subsidiaries”.

“Four layers and Three lines” of Risk Management Model



Institutional Framework for Risk Management

Our institutional framework for risk management follows a layered approach and is guided by risk preferences. It includes comprehensive risk management guidelines, risk identification and evaluation system, and special risk management rules and operation rules, in an aim to specify the management requirements, maintain the standards, methodology and process of risk management, and enhance the application and effectiveness of the system.



Technical Systems

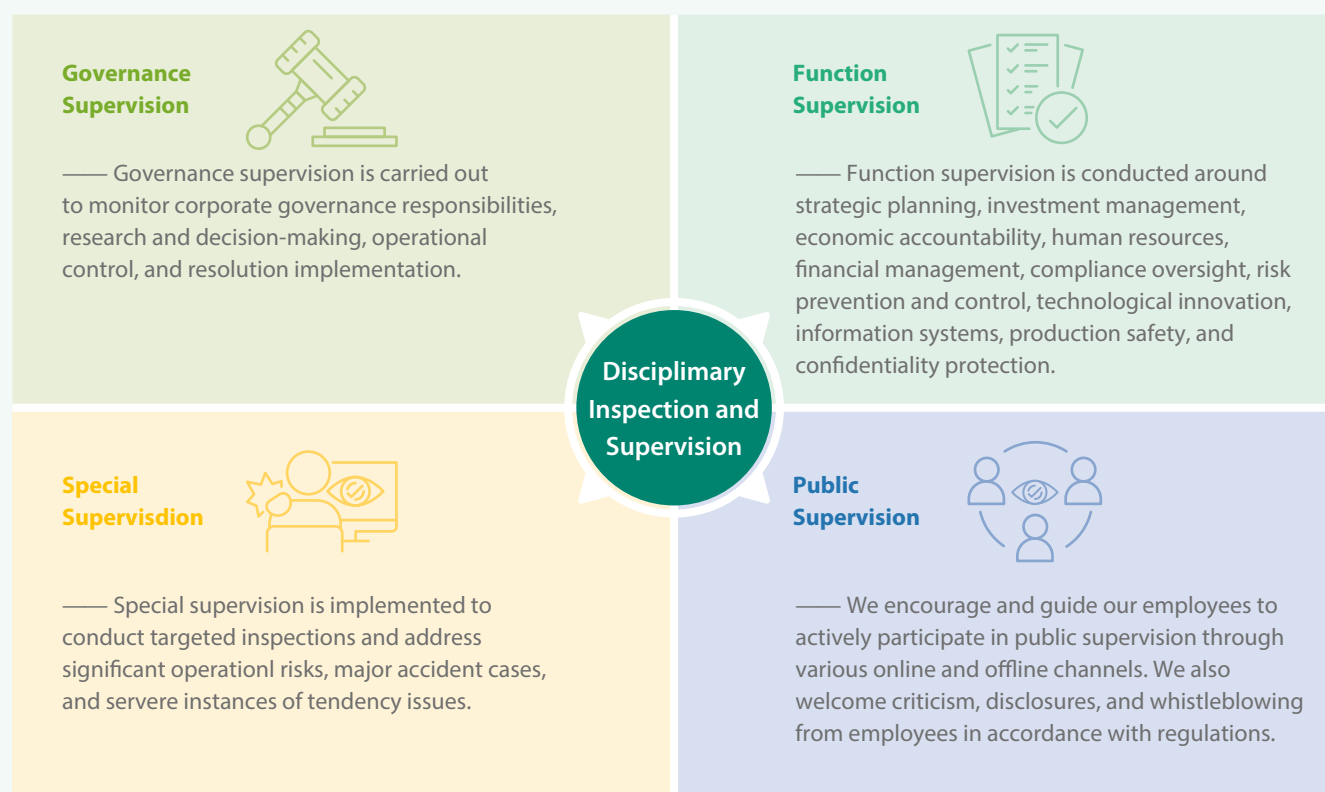
We have established an intelligent risk management platform that enables us to achieve a unified visualisation of risks, unified credit extension, risk preferences, early risk warning, and special risk management. This platform provides robust support for managing different types of risks, and allows us to conduct in-depth analysis and application of risk information, thereby improving the accuracy of our risk analysis and enabling proactive risk management.

Anti-corruption and Business Ethics

We strictly adhere to the laws and regulations of the countries and regions in which we operate, including the *Oversight Law*, *Anti-money Laundering Law*, and *Anti-Unfair Competition Law of the People's Republic of China*. This is to prevent corruption and unethical behavior such as bribery, extortion, fraud, money laundering, and unfair competition.

Building a Comprehensive Supervision System

We have established a comprehensive supervision system that is led by disciplinary inspection and supervision. This system coordinates various types of supervision, including regulatory supervision, functional supervision, special supervision, and public supervision. We have also developed a complete, closely-knit work mechanism that involves consultation, research, collaborative rectification, problem clue transfer, and warning notification, so as to enhance the systemic, continuous, and effective internal supervision.



Disciplinary Inspection and Supervision

We have an internal disciplinary and inspection mechanism in place to promote clean governance and combat corruption. This mechanism supervises and inspects the performance of duties, impartiality, integrity, and moral conduct of managers and all employees in accordance with the law. It investigates illegal and criminal activities such as embezzlement, bribery, abuse of power, rent-seeking, tunneling, and favoritism. Violators of the law will be punished accordingly, and managers who fail to fulfill their duties or demonstrate dereliction of duty will be held accountable. Those suspected of crimes will have their cases transferred to the prosecutor's office for investigation and prosecution. We also provide suggestions to the organisation of the relevant personnel for improving their regulatory systems and mechanisms.

In 2022, a total of 298 cases were filed and 327 people were held accountable throughout the system. Among them, serious violations of discipline and law, such as those committed by Wu Xuewen, Lin Zhengyue, and Zhu Yanchen, were jointly investigated and dealt with by local supervisory agencies. Breakthroughs were made in investigating corruption cases of top executives in subsidiary companies, non-financial fields, and "fleeing resignation" cases, as well as urging corrupt individuals to hand themselves in voluntarily.

Disciplinary inspection and supervision agencies adhere to the established regulations for dealing with clues and materials related to disciplinary violations or illegal activities. They provide suggestions for handling relevant issues and categorise the received clues for proper processing. If evidence of disciplinary violations or illegal activities is found that requires investigation for disciplinary or legal responsibility, the agency files a case and collects evidence in accordance with regulations. Following the completion of the investigation, an internal review is carried out, and the agency proposes suggestions for approval and implementation based on specified limits of authority and procedures.

We have established an internal inspection and supervision institution. The inspection institution at the headquarters sets up inspection teams on a regular basis to monitor the compliance and performance of senior management personnel in both the headquarters departments and subsidiaries. The primary focus of these inspections is to identify issues such as abuse of power for personal gain, embezzlement, bribery, and corruption. Typically, all departments and subsidiaries receive a full inspection every five years.

To institutionalise and standardise anti-corruption efforts, we have compiled various anti-corruption systems involving fundamental regulations, guiding principles, and work standards, creating a rigorous institutional framework. In 2022, we made improvements to 19 anti-corruption systems, including the petition reporting and integrity filing systems, compiled five tool manuals, and achieved full coverage of the business process from petition reporting acceptance to case filing. We formulated and published *CITIC Limited Anti-Corruption Code of Conduct*, which is based on strict adherence to the *Prevention of Bribery Ordinance* of Hong Kong. The code specifies key areas such as bribery and embezzlement, abuse of power and company assets, conflicts of interest, and procurement and bidding procedures, with clear punitive measures for its violations.




Audit Supervision

The company strictly adheres to laws and regulations such as the *Corporate Governance Code* of the Hong Kong Stock Exchange, and actively promotes the construction of the internal audit system. The Audit and Risk Committee is established under the Board of Directors, and audit agencies are set up in the headquarters and important subsidiaries with about 600 audit personnel. Upholding the principle of "Thorough and Rigorous Auditing", the audit agencies at all levels independently supervise the company's risk management and internal control, aiming to assist the company in improving its management, achieving development goals, and fully leveraging the crucial role of internal audit in the corporate governance and supervision system.

The company has implemented a number of internal audit systems, including the *Internal Audit Regulations*, *Management Regulations for Internal Audit Agencies of Subsidiaries*, and *Code of Ethics for Internal Audit Personnel*. The headquarters' audit agency reports to the Audit and Risk Committee on a quarterly basis regarding system-wide audit activities, audit findings and rectification, as well as internal audit personnel resources. Furthermore, an annual evaluation of internal audit work is conducted to assess subsidiary audit management, audit quality, audit performance, communication and coordination, and to provide specific guidance and suggestions.

Strengthening Overseas Compliance Operations to Guard Against Integrity Risks

In 2022, we undertook a specialised study to enhance our compliance operations overseas, which has yielded significant advancements in mitigating integrity risks in our foreign investments and operations.

 <p>Organisational structure</p>	<ul style="list-style-type: none"> ✓ We've established a leadership group for overseas compliance management at the company's headquarter, which is composed of the chairman, vice-chairman, senior executives, and some mid-level management personnel. ✓ Subsidiaries with substantial overseas operations, including CITIC Securities, China Securities, CITIC Metal, and CITIC Heavy Industries, have each established integrity and compliance management bodies headed by their respective responsible persons.
 <p>Institutional building</p>	<ul style="list-style-type: none"> ✓ We have issued the <i>Guiding Opinions on Strengthening Overseas Integrity and Compliance Management</i>, which puts forward specific requirements for financial management and control, procurement of materials, commissions, and hospitality expenses within our overseas institutions. By doing so, we aim to enhance the management and control of integrity and compliance risks. ✓ We have developed eight regulatory documents covering critical areas, including risk, investment, finance, and security management, to refine the requirements for integrity operations. Overseas project managers are now required to sign an <i>Integrity Commitment Letter</i>, and we have included overseas integrity risk indicators in the performance assessment of management personnel at our headquarters and subsidiaries such as CITIC Bank, and CITIC Environment. CITIC Metal has also established mechanisms for reclaiming and withholding the compensation of leaders of overseas institutions in case of integrity violations. ✓ We have compiled the Overseas Risk Management Manual (5 volumes and 7 books), which combs through relevant policies, laws and regulations, international treaties, and practical tools related to overseas business for use by our various overseas institutions. ✓ 15 subsidiaries, including CITIC Construction, CITIC Dicastal, and CITIC Heavy Industries, have made improvements to 220 relevant institutional documents. Four subsidiaries, including CITIC Bank, have set integrity requirements for overseas operations in 44 institutional documents.
 <p>Learning and training</p>	<ul style="list-style-type: none"> ✓ We have organised special training for all overseas employees in eight areas, including overseas business strategy and investment management, key personnel management, hospitality expenses, and performance compensation. ✓ We have offered lectures and training sessions on overseas integrity and compliance management for a total of 111 times in 8 subsidiaries including CITIC Metal.

Integrity Education

We place a high value on anti-corruption training for everyone involved in our organisation. This includes the board of directors, management, as well as all employees, including third-party staffing. We educate our staff on the importance of maintaining good behavior standards and moral norms by offering warning education conferences, integrity education lectures, business training sessions, and integrity education videos, as well as reporting typical cases of violations of discipline, law and dereliction of duty. Our aim is to actively guide the entire company towards building a solid defense against corruption by creating a culture where it is impossible, unthinkable, and unacceptable to engage in corrupt practices.

In 2022, the company's headquarters released a number of online courses on integrity and compliance training via the internal learning platform and procured books on anti-corruption and clean governance policies for its staff. In addition to these efforts, the headquarters also continued to carry out integrity education in various forms.

Types of Training	Employee Coverage
Organised the board of directors, management to learn about relevant policies and regulations	covering about 3,000 person-times
Organised all employees to learn about warning education	Covering over 220,000 person-times
Invited senior executives and internal and external experts to give lectures on anti-corruption education	Covering about 2,000 person-times
Provided training courses for full-time discipline inspection and supervision personnel	Covering 1,106 people
Organised all employees to learn about relevant policies and regulations	Covering about 10,000 person-times
Daily Integrity Education	Played educational videos such as "Integrity Classroom" in public places such as elevators
	Reminded all employees to maintain integrity on a regular basis through notifications, text messages, and other forms covering 180,000 person-times

CITIC Bank has offered nearly 60,000 compliance training sessions and over 6,000 inspection visits at all levels throughout its organisation. They distributed articles on regulatory environment, policy interpretations, and experience sharing through their corporate WeChat account.

CITIC Securities has rolled out anti-commercial bribery and integrity policies, established a sound commitment system for integrity practice, and offered multiple online training sessions on integrity operations covering over 20,000 people.

CITIC Trust has been organizing the "Integrity Culture Month" event for nine consecutive years, and has also released 24 issues of the "Discipline Inspection Classroom".

Whistleblower Protection

We've established an accessible reporting channel and follow the *Rules for Handling Reports and Accusations by Disciplinary Inspection and Supervision Organisations*. We've developed *Management Methods for Disciplinary Inspection, Supervision, and Reporting*, *Management Measures for Petition*, and *Measures for Encouraging Real-name Reporting and Punishing False Accusations and Framing*. We've created *Reporting Policies* and *Guidelines for Handling Reports* for our operations in Hong Kong. We've defined the scope, channels, and processes for handling reports and petitions, while protecting the information of whistleblowers and safeguarding their legitimate rights and interests.

Reporting Channels	Whistleblower Protection
<ul style="list-style-type: none"> ✓ Disciplinary inspection, supervision, and petition institutions at all levels have publicly disclosed their scope of acceptance for handling reporting and complaints, mailing address, reception address, reporting hotline, fax number, email address, and reporting mailbox. ✓ The headquarters have established a mailbox for the Chairman and CEO (chairman-president@citic.com) which is monitored by a dedicated person who forwards these emails to the disciplinary inspection, supervision, or petition institutions for processing. 	<ul style="list-style-type: none"> ✓ We encourage whistleblowers to leave their names and contact information. We ensure strict protection of their information, and prohibit any threats, attacks, or retaliation against them. ✓ We accept anonymous reporting through any channel. ✓ We treat whistleblowers with courtesy and respect, without subjecting them to harassment or discrimination in any manner.
Beijing Headquarter:	Hong Kong Headquarter:
Fax: 86-10-64661186 Email: g-contact@citic.com Petition Hotline: 010-64665166 Petition Email: xinfang@citic.com Address: CITIC Tower, No. 10 Guanghai Road, Chaoyang District, Beijing	Email: zxgfb@citic.com Address: 31st Floor, CITIC Tower, 1 Tim Mei Avenue Central, Hong Kong

Employee Conduct Management

We've developed and implemented an *Employee Code of Conduct* in accordance with the *Corporate Governance Code* of the Hong Kong Stock Exchange. This code outlines requirements for directors and employees regarding personal behaviors, such as bribery, illegal gifts and commissions, acceptance and provision of hospitality, as well as relationships with suppliers and contractors, customers and consumers, employment regulations, compliance supervision, and enforcement methods. It stipulates that employees must comply with relevant laws, regulations, and company policies during work and related business activities. The company summarises and reports on its compliance performance twice a year across the entire system, and submits it for review by the Board's Audit and Risk Committee. In the event of non-compliance, the company takes appropriate corrective measures and makes prompt rectification in accordance with relevant regulations.

We, along with all subsidiaries have put in place management systems for the use of funds, including *Regulations on Official Hospitality Management*, *Implementation Rules for the Remuneration and Business Expenses of Enterprise Leaders*, *Measures for the Management of Business Hospitality Expenses*, and *Administrative Fund Management Measures*. These systems ensure comprehensive management of budgeting, planning, approval, use, reimbursement, supervision, and accountability for funds. In addition, a special inspection team for fund use has been established by relevant departments, which carries out inspections across all departments and subsidiaries every three years.

CITIC Bank has formulated the Anti-fraud Audit Management Measures and conducts annual audits on employee behavior. By leveraging digital technology, they continuously improve their monitoring methods for employee behavior and focus on monitoring instances of malfeasance and violations of duty by employees in areas such as credit access, credit approval, asset disposal, centralised procurement, and salary expenses. In 2022, CITIC Bank integrated employee behavior audits into their special and economic responsibility audit work, with a focus on key positions and higher-level leadership. In addition, CITIC Bank has also established the *Implementation Measures for Supervision and Discipline Enforcement Work*, which provides clear regulations on the acceptance, processing, feedback mechanisms, and time limits for employees who wish to appeal disciplinary decisions and contest their penalties.

CITIC Securities has established an authorisation management system to effectively manage critical permissions within appropriate levels. This system comprises management authorisation, contract agreement authorisation, and special authorisation, and has proven effects in preventing and detecting risks related to integrity. Furthermore, the company has implemented a system to monitor employee communication behavior in order to comprehensively regulate their professional conduct.

Supplier Management




We have established a procurement management mechanism and formulated the *Procurement Management Regulations* in accordance with the *Bidding Law of the People's Republic of China* and the *Ministry of Finance Interim Provisions on the Centralised Purchasing Management of State-owned Financial Enterprises*. This ensures full-process management of procurement work throughout our organisation. By the end of 2022, the headquarter of the company had a total of 187 qualified suppliers registered, among which 176 are domestic and 11 are overseas.

In 2022, we identified weaknesses in the overall management, supervision, and inspection of our procurement processes. To address these issues, we have launched a special rectification session that is scheduled to be completed in 2023. As part of this effort, we have developed a Reform Program on Centralised Procurement Management Mechanism, which identified 10 reform measures and key tasks including the establishment of management agencies, clear division of powers and responsibilities, optimisation of procurement systems and workflows, enhancement of professional talent, and strengthened supervision and inspection, with the following key measures being taken to mitigate integrity risks:

 <p>Strengthening supplier management</p>	<ul style="list-style-type: none"> ✓ Urge all levels to establish and strictly adhere to supplier admission standards. When selecting new suppliers, important factors such as commercial bribery, fraud and malicious bidding, should be taken into consideration. The admission of suppliers for products and services that do not meet the requirements should be strictly restricted. ✓ Establish a <i>Ethical Cooperation Agreement</i> with suppliers that promotes transparency, fairness, and open competition in the procurement processes. Strengthen anti-corruption education and supervision for personnel involved in procurement work.
 <p>optimising institutional system</p>	<p>We have implemented additional measures under the newly revised <i>Procurement Management Regulations</i> to further enhance the integrity management of our registered suppliers, procurement departments, and relevant personnel:</p> <ul style="list-style-type: none"> ✓ Any supplier who engages in the following behaviors will be removed from the supplier pool and, generally, will not be recommended for inclusion in the registered supplier database for a period of one year: serious illegal or unethical behavior, such as commercial bribery or fraud; actions that disrupt the procurement processes, such as malicious bidding, collusion, false reporting, or malicious complaints; serious issues related to their business reputation or product quality; and any illegal or unethical conduct that causes negative consequences for our company. ✓ Procurement departments and personnel must maintain high ethical standards and avoid any personal interest relationship with suppliers or illicit activities that result in personal gain from suppliers during the procurement process. These activities may include holding a part-time position or receiving compensation from an enterprise with a vested interest in the procurement, engaging in paid intermediary activities using job-related advantages, and accepting or soliciting intermediary fees, rebates, commissions, gifts, securities, or consumer services provided by suppliers. Procurement personnel must proactively recuse themselves from the procurement process when they have a personal interest relationship with relevant suppliers.
 <p>Enhancing audit and control</p>	<ul style="list-style-type: none"> ✓ Prioritising procurement management in internal auditing, establishing a supervisory system that covers all levels of the organisation, carrying out regular audits and supervision of bidding and procurement processes as a standard practice, and dealing with any illegal and violating activities such as fraudulent procurement, bid-rigging, and bribery in centralised procurement severely.

Anti-money Laundering

CITIC Limited has established the Anti-money Laundering Management Measures, which defines the management structure and devision of duties, and requires strict compliance with relevant laws and regulations. In the meanwhile, the company has built up and upgraded the Anti-money laundering screening system. CITIC Financial Holdings has developed the Anti-money Laundering and Anti-Terrorist Financing Management Measures, promoting the establishment of a clear and well-defined Anti-money laundering management system. The board of directors fulfill their management responsibilities in accordance with CITIC Financial Holdings' articles of association and relevant regulatory requirements. Meanwhile, the management team is responsible for implementing Anti-money laundering risk management. CITIC Financial Holdings' Compliance and Risk Management Department is in charge of centralized management of Anti-money laundering and implements Anti-money laundering policy. It also researches, implements, and guides the Anti-money laundering efforts of CITIC Financial Holdings and its financial subsidiaries.

CITIC Bank		CITIC Securities
 Institutional building	<ul style="list-style-type: none"> ✓ Established a three-tiered anti-money laundering internal control system consisting of "top-level system + special system + line system" and an anti-money laundering system library. ✓ This comprises two top-level systems, <i>Basic Regulations for anti-money Laundering Internal Control Management</i> and <i>Anti-money Laundering Risk Management Policy</i>, which cover the entire process of anti-money laundering from risk identification, assessment, monitoring, control, and reporting, along with 28 specialised systems for money laundering inspection and assessment, and 32 line systems targeted at combating money laundering. 	<ul style="list-style-type: none"> ✓ Formulated the <i>Implementation Rules for Anti-money Laundering Inspection and Rectification</i>, revised the <i>Performance Evaluation and Reward/Punishment Guidelines for Anti-money Laundering</i>, and continuously strengthened the supervision and management of anti-money laundering work. ✓ Revised the <i>Anti-money Laundering Compliance Manual</i> to improve employees' Anti-money laundering capabilities during their daily work.
 Anti-money laundering training	<ul style="list-style-type: none"> ✓ Provided regular anti-money laundering training to directors, supervisors, and senior management personnel; continued to offer both online and offline anti-money laundering training sessions to all employees, with a total of 1,110 Anti-money laundering training sessions organized in 2022. 	<ul style="list-style-type: none"> ✓ Provided 13 anti-money laundering training sessions to employees with a coverage rate of 100%. ✓ Provided 22 anti-money laundering training sessions to the board of directors with a participation rate of 100%.
 Anti-money laundering advocacy	<ul style="list-style-type: none"> ✓ Integrated Anti-money laundering advocacy with consumer rights protection and other initiatives, and organised four social advocacy campaigns under relevant themes such as "Crackdown on Online Gambling and Scams to Protect Financial Security" and "Guard Against Illegal Fundraising and Combat Telecom Fraud". ✓ Utilised various internal platforms such as the enterprise intranet, "CITIC Bank Anti-money Laundering" public account, and short videos to promote financial knowledge about anti-money laundering to all employees and enhance the overall awareness of the bank about this issue. 	<ul style="list-style-type: none"> ✓ Conducted anti-money laundering advocacy campaigns at the banking hall, which reached 120,000 employees and customers. ✓ Conducted 317 on-site advocacy activities, reaching an audience of 15,000 people. ✓ Posted 41 Anti-money laundering advocacy articles on WeChat public account and other platforms, with a total of more than 170,000 views.

Intellectual Property Management

We've put in place a specialised department that oversees the day-to-day management of legal affairs related to intellectual property right. In accordance with laws and regulations such as the *Civil Code*, *Trademark Law*, *Copyright Law*, and *Patent Law of the People's Republic of China*, we have developed the *Intellectual Property Management Measures* to safeguard the rights of patents, works, trademarks, process flows, technical secrets, and other legally owned rights that arise from our business activities. In 2022, we focused on various initiatives such as "Protecting Proprietary Intellectual Property", "Strengthening Brand Management", and "Combating Intellectual Property Infringement".



Protecting
proprietary
intellectual property

- ✓ We organised our subsidiaries to sort out their intellectual property achievements, including invention patents, utility model patents, and software copyrights. In 2022, we published one international standard and 17 national standards, and obtained 1,203 authorised patents, of which 424 were invention patents.



Combating
intellectual
property
infringement

- ✓ We have developed the *Guidelines for Dealing with Intellectual Property Infringement*. Based on the precondition of respecting the intellectual property of others, these guidelines outline a four-stage process for investigating and managing infringement, including preserving relevant evidence, verifying and reporting the findings, taking necessary actions, and reporting the results. We also pay close attention to six frequently occurring types of infringement and provide corresponding measures to address them.
- ✓ CITIC Dicastal has established a non-profit organisation — Wheel Hub (Auto Parts) Intellectual Property Protection and Anti-Counterfeiting Center, which specialises in industry-specific intellectual property protection.
- ✓ CITIC Press has set up a specialised Intellectual Property Protection Center that serves as an exclusive channel for readers and copyright holders to report and resolve intellectual property disputes. It collaborates with governmental entities, industry association to combat intellectual property infringement.



Strengthening
brand
management

- ✓ We've updated our *Trademark Management Measures* to impose strict requirements on brand usage and management, and to reduce risks associated with renting or selling the CITIC brand. We've also created the *CITIC Trademark Registration and Usage Management Guidelines* to refine our trademark management. Additionally, we've conducted a "negative list" investigation of the CITIC brand in Hong Kong and launched an investigation into accounts on new media platforms that infringe on our trademark. We push ahead with making necessary rectifications and update the positive list for brand usage.



Green Development: Our Commitment to Building a Beautiful China

Special Report:



“Dual Carbon” Strategy and Climate Change Risks Management

Responding to climate change risks and implementing the “Dual Carbon” strategy is a shared responsibility of society, including businesses. At CITIC, we have taken proactive measures to align with the green and low-carbon transformation trend, and we have been exploring the CITIC approach of providing comprehensive enterprise services for green development. Thanks to our efforts, we were recognized as a “Leading Enterprise in Industrial Carbon Peaking” and ranked first on the list in 2022.

2021	2022	Short-term goals	Long-term goals
<ul style="list-style-type: none"> ✓ Proposed the “Two Increases and One Reduction”¹ low-carbon development strategy ✓ Our “Dual Carbon” goals were set in several phases including 2023, 2030 and 2060 	<ul style="list-style-type: none"> ✓ Released the <i>White Paper for Carbon Peaking and Carbon Neutrality Actions</i> and announce CITIC’s roadmap for carbon neutrality ✓ Began the compilation of the carbon profit and loss statement for the previous year ✓ Initiated four major scientific research projects on Carbon Peaking and Carbon Neutrality 	<ul style="list-style-type: none"> ✓ Complete the compilation of carbon profit and loss statement ✓ Establish a “Dual Carbon” assessment framework ✓ Achieve an 18% reduction in carbon emissions per unit of output by 2025, compared to 2020 levels 	<ul style="list-style-type: none"> ✓ Achieve significant results in comprehensive green and low-carbon transformation by 2030 ✓ Become a pioneer in green and low-carbon development by fully integrating into a green, low-carbon, and circular development industrial system, as well as a clean, efficient, and safe energy system by 2060





¹ The first “Increase” involves providing financing solutions for low-carbon industry transformation through green finance; the second “Increase” involves enhancing corporate responsibility and amplifying the low-carbon effect of the industrial chain and ecosystem; the “Reduction” involves promoting low-carbon transformation of high-carbon businesses and investments with high environmental impact, while prioritising low-carbon emissions and low environmental impact in new business layouts.

“Carbon Neutrality” Roadmap

In 2022, we released the *White Paper on Carbon Peaking and Carbon Neutrality Actions*, which disclosed our revised roadmap for achieving carbon neutrality.

The Roadmap Towards “Carbon Neutrality”

Stage 1: Carbon Reduction	Stage 2: Carbon Neutrality
We will vigorously promote energy conservation and carbon reduction in key areas such as power generation, steel production, building operations and data centers. We will identify potential opportunities for efficiency improvement, structural optimisation, and technology-based emissions reduction to effectively reduce carbon emissions.	We will introduce offsetting plans for the remaining carbon emissions through the purchase of verified emissions reductions, green electricity certificates, and investing in green projects outside the company. By doing this, we can offset the carbon emissions that cannot be further reduced through carbon neutrality, ultimately achieving net-zero carbon emissions.

Five Major Sectors		CITIC Carbon Neutrality Pathway				
1	Advanced Materials	<div>key Emission Areas</div> <div></div> <div>Electricity Supply</div>	<div></div> <div>Steel Production</div>	<div></div> <div>Building Operations</div>	<div></div> <div>Data Center</div>	
2	Advanced Intelligent Manufacturing	<div>Carbon Reduction Stage</div>	Energy-saving transformation for coal-fired power	Technology/processes upgrade	Building renovation	Energy conservation and Consumptions reduction of IT equipment
			Development of new energy	Enhancing environmental sustainability of facilities	Operational upgrade	Technology upgrade of power equipment
			Technology breakthrough and application	Breakthroughs in carbon capture technology	Technology integration	Efficiency improvement of refrigeration systems
Green electricity						
3	New-type Urbanisation	<div>Neutralisation Stage</div>	Verified administrative emission reductions purchased from external sources			
4	Comprehensive Financial Service		Green electricity certificates purchased from external sources			
			Direct investment in off-site green projects			
5	New Consumption	Capacity Building	Institutional management system			
		Industry Empowerment	Green finance			

Compiling the Carbon Profit and Loss Statement

We have taken a leading position in addressing the issue of “Carbon Asset Operation and Management” by proposing and compiling an industry-leading carbon profit and loss statement. This statement reflects the dynamic performance of our company’s carbon emissions and reductions over a certain period, providing a clear and intuitive view of accounting subjects such as carbon emissions, carbon reductions, and adjusted net carbon emissions. By doing so, we can effectively trace, monitor, and evaluate the implementation of our Dual Carbon strategy.

We have set up a preliminary carbon asset management system that centers on the carbon profit and loss statement and the practical actions we take to manage and operate our carbon assets. Starting from October 2022, we have been compiling the carbon profit and loss statement for the previous year. This statement will help us summarize, collect, organize, and evaluate our carbon assets based on the cost and revenue information, providing a reliable basis for effectively managing and operating our carbon assets.

Dealing with Climate Change Risks

Through our extensive “Dual Carbon” management efforts, we have fully recognized the risks and opportunities that climate change poses to our business operations. As a result, we have made the implementation of the TCFD disclosure framework as a key priority for our work in 2023. In doing so, we will lead all five major business sectors to identify and evaluate climate change risks, align our operations with sustainable development principles, improve our adaptability to climate change, and address the imminent threat it poses.

Implemented measures:	Planned measures:
<ul style="list-style-type: none"> ✓ “Dual Carbon” management ✓ Provide detailed opinions on climate risks for investment projects in risk analysis reports ✓ CITIC Bank committed to support TCFD 	<ul style="list-style-type: none"> ✓ Hire specialized agencies to assist with the implementation of the TCFD disclosure framework ✓ Incorporate climate change risks management into the comprehensive risk management system and take these factors into consideration during risk preference development ✓ Continue to improve the monitoring and management mechanisms related to climate change risks

CITIC Bank has developed a *Green Bank Construction Plan*, recognizing the importance of climate change risks prevention and response in green banking. The plan analyzes the transmission mechanism between climate risk and six types of banking risks, including credit risk, market risk, and liquidity risk. The bank has conducted several stress tests, including solvency, real estate, and internal capital assessment stress tests. CITIC Bank is dedicated to enhancing its environmental and climate change risks management capabilities continuously.

CITIC Securities has incorporated climate change into its risk management system, actively identifying, assessing, and managing the physical risks, transition risks, and opportunities of climate change on its operations and business, and has developed specific response measures.

China Securities has incorporated climate change risks management into its overall risk management framework. The company assesses the potential risks and opportunities of climate change in the short, medium, and long term, identifies the sources and magnitude of climate-related risks, analyzes the risks and opportunities that arise from climate change, and develops appropriate response measures on a regular basis.





CITIC Telecom International evaluates climate-change risks on a regular basis to mitigate the impact of climate change on its operations. For instance, in the event of a potential power failure caused by a typhoon, the company’s backup power generators will activate automatically to support core business operations and uphold the promise of providing uninterrupted telecommunications services to customers 24/7.

Environmental Performance


Unless otherwise specified, the statistical scope of environmental performance results in this section covers the main operating locations of the headquarters and subsidiaries in the Chinese mainland, Hong Kong, Macau, and Taiwan. Additional operating locations will be included in the statistical scope in the future.²



Headquarter	Indicators	2022
	 WASTE GAS	
	Nitrogen oxide (NO _x) emissions (tonnes)	0.01
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.0007
	 GREENHOUSE GASES	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	2,118.08
	Per capita greenhouse gas emissions from headquarters (tonnes/person)	4.39
	Direct greenhouse gas emissions (Scope 1) (tonnes)	100.86
	Gasoline	100.86
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	2,017.22
	Purchased electricity	2,017.22
	 WASTE	
	Total amount of hazardous waste (tonnes)	0.24
	Per capita hazardous waste emissions from headquarters (tonnes/person)	0.0005
	Total amount of non-hazardous waste (tonnes)	243.78
	Per capita non-hazardous waste emissions from headquarters (tonnes/person)	0.51
	 ENERGY CONSUMPTION	
	Total energy consumption (MWh)	2,693.16
	Per capita energy consumption from headquarters (MWh/person)	5.59
	Direct energy consumption (MWh)	412.01
	Gasoline	412.01
	Indirect energy consumption (MWh)	2,281.15
	Purchased electricity	2,281.15
	Electricity consumption per capita at headquarters (MWh/person)	4.73
	Gasoline consumption per capita at headquarters (Litre/person)	98.42
	 RESOURCE CONSUMPTION	
	Total water consumption (m ³)	18,299.00
	Water consumption per capita at headquarters (m ³ /person)	37.96
	Total paper consumption at headquarters (tonnes)	16.70





² The statistical scope used for greenhouse gas accounting includes carbon dioxide, methane, and nitrous oxide, primarily from purchased electricity, purchased steam and fuel. We presented and conducted greenhouse gas accounting in terms of carbon dioxide equivalent using the *2011 and 2012 Baseline Emission Factors for Regional Power Grids in China* published by the National Development and Reform Commission of the People's Republic of China. We also used the latest emission coefficient data released by the Hong Kong Electric Company, CLP Power Hong Kong, and Companhia de Electricidade de Macau, as well as the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement) released by the Intergovernmental Panel on Climate Change (IPCC). The statistical scope of greenhouse gas emissions does not include purchased electricity from operating locations in Tibet because there is no baseline emission factor for the Tibet power grid, and the impact of purchased electricity data from operating locations in Tibet is small and of low importance.

Comprehensive Financial Services	Indicators	2022
	 WASTE GAS	
	Nitrogen oxide (NO _x) emissions (tonnes)	0.49
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.02
	 GREENHOUSE GASES	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	236,624.99
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	85.41
	Direct greenhouse gas emissions (Scope 1) (tonnes)	6,925.20
	Gasoline	3,041.25
	Diesel	77.57
	Coal gas	29.37
	Liquefied petroleum gas	94.75
	Natural gas	3,682.25
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	229,699.79
	Purchased electricity	229,699.79
	 WASTE	
	Hazardous waste total (tonnes)	347.55
	Hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	0.13
	Non-hazardous waste total (tonnes)	18,648,633.01
	Non-hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	6,731.53
	 ENERGY CONSUMPTION	
	Total energy consumption (MWh)	348,895.23
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	125.94
	Direct energy consumption (MWh)	32,195.94
	Gasoline	12,423.57
	Diesel	295.02
	Coal gas	218.65

³ In addition to related subsidiaries, the statistical scope of this section also includes China Securities Co., Ltd. and CITIC-Prudential Life Insurance Co., Ltd.




Comprehensive Financial Services	Indicators	2022
	Liquefied petroleum gas	427.13
	Natural gas	18,831.57
	Indirect energy consumption (MWh)	316,699.29
	Purchased electricity	316,699.29
	 RESOURCE CONSUMPTION	
	Total water consumption (m ³)	2,365,837.53
	Water consumption per RMB100 million of revenue (m ³ /RMB100 million)	853.99
	Paper consumption at headquarters (tonnes)	1,426.71






Advanced Intelligent Manufacturing	Indicators	2022
	 AIR EMISSIONS	
	Nitrogen oxide (NOx) emissions (tonnes)	113.86
	Sulphur dioxide (SO ₂) emissions (tonnes)	10.21
	Particulate matter emissions (tonnes)	55.82
	Chemical oxygen demand (COD) emissions (tonnes)	77.73
	Ammonia nitrogen emissions (tonnes)	5.54
	Total phosphorus emissions (tonnes)	0.79
	Wastewater discharge (m ³)	621,067.86
	 GHG EMISSIONS	
	Total GHG emissions (Scope 1 and 2) (tonnes)	728,458.49
	GHG emissions per 100 million RMB of income (tonnes /100 million RMB)	288.99
	Direct GHG emissions (Scope 1) (tonnes)	227,090.91
	Gasoline	382.62
	Diesel	1,734.73
	Liquefied petroleum gas	276.66
	Natural gas	224,696.90
	Indirect GHG emissions (Scope 2) (tonnes)	501,367.58
	Purchased electricity	478,599.45
	Purchased steam	22,768.13

Advanced Intelligent Manufacturing	Indicators	2022
	 WASTE	
	Total hazardous waste (tonnes)	17,451.74
	Total hazardous waste per 100 million RMB of income (tonnes /100 million RMB)	6.92
	Total non-hazardous waste (tonnes)	4,406.44
	Total non-hazardous waste per 100 million RMB of income (ton/100 million RMB)	1.75
	 ENERGY USE	
	Total energy consumption (MWh)	1,882,453.50
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	746.81
	Direct energy consumption (MWh)	1,158,540.12
	Gasoline	1,563.01
	Diesel	6,597.65
	Liquefied petroleum gas	1,247.26
	Natural gas	1,149,132.20
	Indirect GHG emissions (Scope 2) (tonnes)	723,913.39
	Purchased electricity	666,418.11
	Purchased steam	57,495.28
	 USE OF RESOURCES	
	Total water consumption (m ³)	2,713,455.45
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	1,076.48
	Total paper consumption (tonnes)	43.28
	 PACKAGING MATERIAL	
	Total packaging material used for finished goods (tonnes)	25,265.34
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	10.02




Advanced Materials ⁴	Indicators	2022
	 WASTE GAS	
	Nitrogen oxide (NO _x) emissions (tonnes)	7,285.68
	Sulphur dioxide (SO ₂) emissions (tonnes)	2,942.99
	Particulate matter emissions (tonnes)	5,244.13
	 WASTEWATER	
	Chemical oxygen demand (COD) emissions (tonnes)	517.09
	Ammonia nitrogen emissions (tonnes)	44.28
	Total phosphorus emissions (tonnes)	1.24
	Wastewater discharge (m ³)	10,101,356.12
	 GREENHOUSE GASES	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	48,612,061.58
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	19,285.34
	Direct greenhouse gas emissions (Scope 1) (tonnes)	46,749,289.33
	Gasoline	1,215.69
	Diesel	9,307.27
	Liquefied petroleum gas	1,417.20
	Natural gas	385,661.47
	Coke	1,969,568.30
	Coal	42,511,776.40
	Intermediate process emissions	1,871,760.20
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	3,671,676.09
	Purchased electricity	3,538,741.23
	Purchased steam	132,934.86
	Implicit emissions of carbon sequestration product (deductible) (tonnes)	-1,808,903.84
	 WASTE	
	Hazardous waste total (tonnes)	11,188.14
	Hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	4.44
	Non-hazardous waste total (tonnes)	10,309,521.73
	Non-hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	4,089.99

⁴ In this section, CITIC Pacific Special Steel's GHG emissions and energy consumption data are calculated based on the relevant emission factors and conversion factors provided in the Methodology for Accounting and Reporting of Greenhouse Gas Emissions of Chinese Steel Producers (for Trial Implementation) issued by the National Development and Reform Commission of the People's Republic of China.

Advanced Materials	Indicators	2022
	 ENERGY CONSUMPTION	
	Total energy consumption (MWh)	140,058,396.33
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	55,563.87
	Direct energy consumption (MWh)	134,343,684.92
	Gasoline	4,966.10
	Diesel	35,398.05
	Liquefied petroleum gas	6,389.06
	Natural gas	1,972,328.14
	Coke	5,438,663.01
	Coal	126,892,329.62
	Indirect energy consumption (MWh)	5,714,711.41
	Purchased electricity	5,321,371.51
	Renewable energy electricity	57,645.80
	Purchased steam	335,694.09
	 RESOURCE CONSUMPTION	
	Total water consumption (m ³)	60,418,399.88
	Water consumption per RMB100 million of revenue (m ³ /RMB100 million)	23,969.15
	Total paper consumption (tonnes)	106.33
	 PACKAGING MATERIALS	
	Total packaging materials used for finished products (tonnes)	10,021.60
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	3.98

New Consumption	Indicators	2022
	 EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	3.75
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.02
	 GREENHOUSE GASES	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	128,318.24
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB)	232.83
	Direct greenhouse gas emissions (Scope 1) (tonnes)	2,734.44
	Gasoline	1,889.93
	Diesel	771.43
	Coal gas	2.19
	Natural gas	70.89
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	125,583.80
	Purchased electricity	125,583.80
	 WASTE	
	Hazardous waste generation (tonnes)	489.85
	Hazardous waste generation per RMB100 million of revenue (tonnes/RMB)	0.89
	Non-hazardous waste generation (tonnes)	10,253.18
	Non-hazardous waste generation per RMB100 million of revenue (tonnes/RMB)	18.60
	 ENERGY CONSUMPTION	
	Total energy consumption (MWh)	205,555.06
	Energy consumption per RMB100 million of revenue (MWh/RMB)	372.98
	Direct energy consumption (MWh)	11,033.18
	Gasoline	7,720.38
	Diesel	2,933.94
	Coal gas	16.32
	Natural gas	362.54
	Indirect energy consumption (MWh)	194,521.88
	Purchased electricity	194,521.88
	 RESOURCE CONSUMPTION	
	Total water consumption (m ³)	1,514,965.58
	Water consumption per RMB100 million of revenue (m ³ /RMB)	2,748.89
	Total paper consumption (tonnes)	8,263.52
	 PACKAGING MATERIALS	
	Total packaging materials used for finished products (tonnes)	4,532.08
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	8.22

New-type Urbanisation	Indicators	2022
	 WASTE GAS	
	Nitrogen oxide (NO _x) emissions (tonnes)	132.27
	Sulphur dioxide (SO ₂) emissions (tonnes)	67.64
	Particulate matter emissions (tonnes)	15.15
	 WASTE WATER	
	Chemical oxygen demand (COD) emissions (tonnes)	11,733.45
	Ammonia nitrogen emissions (tonnes)	497.77
	Total phosphorus emissions (tonnes)	130.37
	Wastewater discharge (m ³)	541,019,544.32
	 GREENHOUSE GAS	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	426,210.30
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	836.20
	Direct greenhouse gas emissions (Scope 1) (tonnes)	24,418.78
	Gasoline	2,526.18
	Diesel	1,167.06
	Coal gas	7.00
	Liquefied petroleum gas	45.07
	Natural gas	20,673.46
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	401,791.52
	Purchased electricity	401,791.52
	 WASTE	
	Hazardous waste total (tonnes)	56,329.36
	Hazardous Waste per RMB100 million of revenue (tonnes/RMB100 million)	110.51
	Non-Hazardous Waste Total (tonnes)	141,499.13
	Non-Hazardous Waste per RMB100 million of revenue (tonnes/RMB100 million)	277.61

New-type Urbanisation	Indicators	2022
	 ENERGY CONSUMPTION	
	Total energy consumption (MWh)	695,442.86
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	1,364.42
	Direct energy consumption (MWh)	120,740.48
	Gasoline	10,319.47
	Diesel	4,438.66
	Coal gas	52.09
	Liquefied petroleum gas	203.20
	Natural gas	105,727.06
	Indirect energy consumption (MWh)	574,702.38
	Purchased Electricity	571,540.29
	Renewable energy electricity	3,162.09
	 RESOURCE CONSUMPTION	
	Total water consumption (m ³)	7,966,965.50
	Water consumption per RMB100 million of revenue (m ³ /RMB100 million)	15,630.70
	Total paper consumption (tonnes)	119.12
	 PACKAGING MATERIALS	
	Total packaging materials used in manufacturing (tonnes)	75.33
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	0.15



Green Finance

As part of our commitment to the new development philosophy in the financial sector, we are accelerating the innovation of investment and financing products in green finance and carefully assessing the industrial value of these products under the guidance of our dual-carbon strategy. In addition, we are planning to create innovative carbon finance derivative tools that support our goals in this area. Through responsible investment and a focus on green finance, we aim to achieve positive outcomes for the economy, society and the environment.

Implemented measures	Key achievements
Green finance products	CITIC Bank has issued green loans amounting to RMB334.082 billion. It has also introduced 9 ESG/green-themed products, with 12 currently in existence, totalling RMB2.996 billion. The balance of its green leasing products currently stands at RMB27.474 billion. Additionally, 11 carbon-neutrality structured deposit products have been issued, amounting to RMB1.13 billion.
	CITIC Securities Asset Management successfully launched its first ESG/sustainable investment theme product. A total of 18 green-themed products were sold with a total amount of RMB3.1 billion. The investment scale of ESG bond and investment fund assets totaled RMB43.4 billion, with a green investment scale that reached an impressive RMB47.39 billion. The company underwrote a total of 129 green bonds (including asset-backed securities), with an underwriting size of RMB65.1 billion. The underwriting size of overseas ESG bonds reached USD1.14 billion.
	CITIC Trust has created several green trust schemes such as water and equipment replacement projects in Zhangqiu District. Other projects include a charging service for electric public buses in Foshan and power supply assistance to the southern Jiangsu region, supporting local governments in achieving eco-friendly, low-carbon development.
Green finance research	CITIC Securities has developed an ESG rating and research system and published 43 ESG-related research reports that offer valuable insights for ESG investors.
	China Securities has issued over 20 research reports on ESG topics and arranged analyst roadshows and internal researcher presentations to provide comprehensive ESG industry training for investment managers. Over 30 ESG-related training sessions have been organised by China Securities for more than 1,000 participants, including investment managers and analysts.
Supporting carbon market development	CITIC CLSA has become one of the first companies to trade on Core Climate, a new international carbon trading market platform in Hong Kong.

Clean Technology and New Energy Business Operations

As part of our “14th Five-Year Plan” development strategy, we put forward the fundamental principle of “full-process green and low-carbon development”. In the meanwhile, the company has established the “CITIC Dual Carbon Technology Innovation Initiative” and other technology innovation projects to address major technical challenges such as energy-efficient development, conservation and utilisation, environmental protection, water treatment, and resource recycling. Moreover, the company has provided research funding to its subsidiaries, enabling them to tackle difficult scientific and technological issues. In 2022, the company launched groundbreaking projects under the “CITIC Dual Carbon Technology Innovation Initiative”. These include “Research and Application of Whole Life Cycle Manufacturing Technology of Low-carbon Emission Aluminum Alloy Components for Automobile” at CITIC Dicastal, “Technology Research and Engineering Application for High-Efficiency Recovery of Sintering Flue Gas Residual Heat Using Vertical Cooling” at CITIC Heavy Industries, “Green Manufacturing Process of Chromium Compounds” at CITIC Metal, and “Key Technical System Research for Ultra-low Energy Consumption Buildings in Regions with Hot Summers and Cold Winters under the Framework of ‘Carbon Peaking and Carbon Neutrality’” at CITIC Engineering. Apart from these, CITIC Environment has launched three other green, low-carbon, and environmentally friendly technological innovation projects, including the development and application of an advanced membrane technology integrated system for sustainable and low-carbon utilisation of water resources. The total investment amount for these projects reached RMB373.21 million, with RMB171.48 million provided by the headquarters. As of the end of Q1 2023, RMB67.42 million has been allocated to research funding, with an additional RMB104.06 million to be provided in the future.

CITIC Environment

As the flagship platform of CITIC Limited in the field of environmental protection, CITIC Environment is committed to preventing and controlling pollution while safeguarding the environment. The company's primary focus lies in water treatment, solid waste treatment, energy conservation, and emission reduction. Through unwavering efforts, CITIC Environment seeks to optimise water treatment processes, ensure the safe disposal of solid waste, and enhance energy management through intelligent solutions. (For more information, please refer to relevant reports available at https://www.group.citic/en/2022/News_0628/73.html).

Work completed in 2022	
Wastewater treatment technology	<ul style="list-style-type: none"> ✓ Shidao Wastewater Treatment Plant, operated by the project company in Rongcheng, has implemented technical upgrades to its carbon source pharmaceutical casting control system. With the full integration of an intelligent casting system, there has been a substantial decrease in the usage of carbon source pharmaceuticals, resulting in annual savings of almost RMB10 million in pharmaceutical costs. ✓ Xinji Wastewater Treatment Plant adds processed return sludge as a carbon source in the initial stage of the biochemical process. This approach not only reduces the amount of residual sludge emissions but also minimizes the amount of carbon source required. ✓ Central & Southern China Municipal Engineering Design and Research Institute has successfully completed the mid-term assessment for the Ministry of Housing and Urban-Rural Development's project "Research on the Whole-process Environmentally-friendly Green Water Purification Technology of Waterworks". Moreover, they have also launched new research projects including the "Control of Internal Source Pollution and Lake Sediment Utilisation Technology in the Yangtze River Basin". In addition, they have undertaken over 80 scientific research projects related to wastewater and sludge treatment technologies, including the "Autotrophic Denitrification Technology for Urban Wastewater". They have also compiled more than 30 standard specifications related to wastewater and sludge treatment, including the "Technical Regulations for the Treatment and Disposal of Sewage Sludge in Urban Drainage Systems".
Hazardous waste/solid waste disposal technology	<ul style="list-style-type: none"> ✓ Central & Southern China Municipal Engineering Design and Research Institute has taken the lead in undertaking or participating in several sub-projects of the national key research and development program "Collaborative Disposal and Demonstration of Multi-Source Organic Solid Waste in Large and Medium-sized Urban Parks in the Yangtze River Economic Belt". The institute has developed two-phase anaerobic digestion equipment for collaborative treatment with high-yield biogas, achieving a 10% increase in gas production compared to traditional anaerobic fermentation systems and a resource conversion rate of over 80%. ✓ CITIC Qing Shui Ru Jiang Co., Ltd. has launched a research project titled <i>Research on Sludge Treatment and Disposal Technology of Urban Sewage Treatment Plant</i> to initiate the research and development of sludge treatment and disposal technologies. The company plans to apply for at least one utility model patent in 2023.
Clean energy technology	<ul style="list-style-type: none"> ✓ CITIC General Institute of Architectural Design and Research has completed the geothermal heat pump engineering design for the Wuhan Bio-agricultural Industry Base project, as well as the feasibility report for the energy station in the Silicon Valley Town area. The institute has also conducted the scheme demonstration work for the smart energy station project in Huangshi Science and Technology City. ✓ CITIC Qing Shui Ru Jiang Co., Ltd. implemented a "photovoltaic + wastewater treatment plant" model at the Jiangxia Wastewater Treatment Plant by installing photovoltaic panels on various sections, including the roof, sedimentation tank, and biochemical pool. The generated electricity is used to power the plant's operations. With an annual capacity to produce 1500 MWh of electricity, the photovoltaic power generation system has produced a total of 4223.2 MWh of renewable electricity since the plant began operation in 2018.

CITIC Environment places a high value on technological innovation and is committed to ensuring and increasing investment in technology research and development. By continuing to upgrade its technological capabilities, the company aims to drive business growth and create new opportunities for profit.

R&D investment	Project revenue
<p>✓ In 2022, CITIC Environment Technology invested RMB55.47 million in research and development, marking an increase of 23% from the previous year. The R&D spending accounted for 1.2% of the company's sales revenue, an increase of 0.4% compared to the previous year. Approximately RMB29.37 million was directed towards initiatives such as resource recovery, intensive resource utilisation, and reducing energy consumption.</p> <p>✓ In 2022, Central & Southern China Municipal Engineering Design and Research Institute invested RMB285.1452 million in research and development, marking an increase of 47.74% from the previous year. The R&D spending accounted for 7.3% of its sales revenue, an increase of 4.13% compared to the previous year. Approximately RMB199.60 million was directed towards municipal wastewater treatment, industrial wastewater treatment, sludge treatment, and solid waste treatment.</p> <p>✓ In 2022, CITIC Qing Shui Ru Jiang Co., Ltd. invested RMB5.49 million to research and development for smart water service platform construction and other related areas, accounting for 3.6% of its sales revenue. The company plans to increase its R&D investment in 2023 to RMB8 million.</p>	<p>✓ In 2022, Central & Southern China Municipal Engineering Design and Research Institute undertook two projects: preparing feasibility reports for a rooftop photovoltaic power generation project in Maoxian County, Sichuan Province, and an energy consumption balance integration project in the photovoltaic energy zone of Jiulongpo District, Chongqing. The total contract value for these projects was RMB770,000. In January 2023, the institute was awarded a new contract worth RMB1.976 million to provide survey and design services for the rooftop photovoltaic power generation project in Maoxian County.</p> <p>✓ CITIC General Institute of Architectural Design and Research has signed contracts for 11 projects related to green building, low-carbon technology, and energy, including the <i>Consulting and Testing Project for Green Building Construction of the Cultural and Sports Activity Center for China-French Wuhan Ecological Demonstration City</i>. The collective value of these contracts is RMB4.72 million, representing a 30.41% increase from RMB3.62 million in 2021. As of the first quarter of 2023, the institute has already signed new contracts totaling RMB2.0926 million, and it is expected that the total new contract value for the year will exceed RMB5 million.</p>

In 2022, CITIC Environment held three strategic seminars, where it set its sights on the green industry environmental protection and put great efforts into developing businesses such as clean energy coupling utilisation and photovoltaic power generation. In its 2023 work plan, the company proposed to focus on cutting-edge environmental technologies, including high-efficiency microbiological treatment, high-performance membrane treatment, smart management systems for energy-saving and environmental protection in industrial parks, sewage resource recovery, and special solid waste treatment. CITIC Environment will prioritise the promotion of these technologies in the following areas:

Work priorities for 2023	
<p>Deepening industry-university research cooperation and stepping up studies on pollution prevention</p>	<p>✓ Construct a sludge treatment demonstration project at the sewage treatment plant by leveraging Peking University's high-efficient and low-energy consumption carbon dioxide drying technology</p> <p>✓ Optimise the pilot process and actively explore comprehensive utilisation of fly ash by cooperating with Zhejiang University in the plasma hazardous waste disposal technology research and development project</p>
<p>Expanding new energy business</p>	<p>✓ Promote the implementation of photovoltaic renewable energy generation pilots</p> <p>✓ CITIC Qing Shui Ru Jiang Co., Ltd. plans to increase its investment in distributed photovoltaic power generation in the Jiangxia Wastewater Treatment Plant (Phase I). It aims to add 1.2892 MWh on the basis of the existing 1.4984 MWh. The expanded photovoltaic power generation capacity will reach 2.7876 MWh.</p>

Work priorities for 2023	
Strengthening water management and operation transformation with technology	<ul style="list-style-type: none"> ✓ Increase the promotion of smart water management and build more benchmark water plants ✓ Central & Southern China Municipal Engineering Design and Research Institute will continue to carry out research in the field of water and environmental protection technologies based on engineering projects and research programs. This includes high-quality drinking water technology (double membrane treatment technology for water supply), high-standard sewage treatment and reuse technology (ultra-deep denitrification treatment process for sewage recycling), new technologies for debris disposal on wasteland, and non-membrane deep treatment technology for leachate of garbage.

CITIC Pacific Energy

CITIC Pacific Energy has outlined its ambition to play a major role in the green and low-carbon energy transformation during the “14th Five-Year Plan”. The company plans to step up investment and development in new energy projects, focusing on cutting-edge technologies such as energy storage, source-network-load-storage integrated operation, and hydrogen energy. It aims to substantially increase the proportion of new energy capacity, with an average annual growth rate of 600 MW, and to reach an installed capacity of 3000 MW by 2025. This will include 1200 MW of wind power and 1800 MW of photovoltaics, along with 300 MW of energy storage capacity.

The company acquired the development rights for a 1000 MW wind power project in Xilin Gol League in December 2021, with plans for the full completion and grid connection by the end of 2023. The project’s expected static investment is RMB5.1 billion, with a total investment of RMB5.28 billion. As of the end of 2022, the project has received a cumulative investment of RMB2.587 billion, accounting for 49% of the total investment.

In 2022, CITIC Pacific Energy’s new energy business generated an operating income of RMB53.597 million. With the wind power project in Xilin Gol League and other projects being completed and connected to the grid, the new energy business is expected to generate an operating income of over RMB350 million in 2023. CITIC Pacific Energy plans to increase its investment in clean energy and accelerate green and low-carbon development, with the aim of making the new energy business a key growth driver for the company.

	2022	2023
Capital expenditure for the new energy sector	about RMB999 million	Estimated at RMB3.3 billion

CITIC Dicastal

CITIC Dicastal is carrying out a major research project for CITIC Limited—the “Research and Application of Whole Life Cycle Manufacturing Technology of Low-carbon Emission Aluminum Alloy Components for Automobile”. This involves analysing the entire life cycle of aluminum alloy parts and implementing a comprehensive carbon emission assessment model for their manufacturing process. Moreover, a low-carbon technology library covering various aspects, such as design, simulation, raw materials, smelting, die casting, heat treatment, machining, coating, packaging, logistics, waste heat utilisation, recycling, energy consumption, and carbon capture, is being developed. This results in a complete, modular low-carbon production technology solution, ensuring full coverage of lightweight, low-carbon emission green technologies for aluminum alloy parts production. The project is expected to run from August 2021 to December 2024, with a research and development budget of RMB69.81 million.

CITIC Heavy Industries

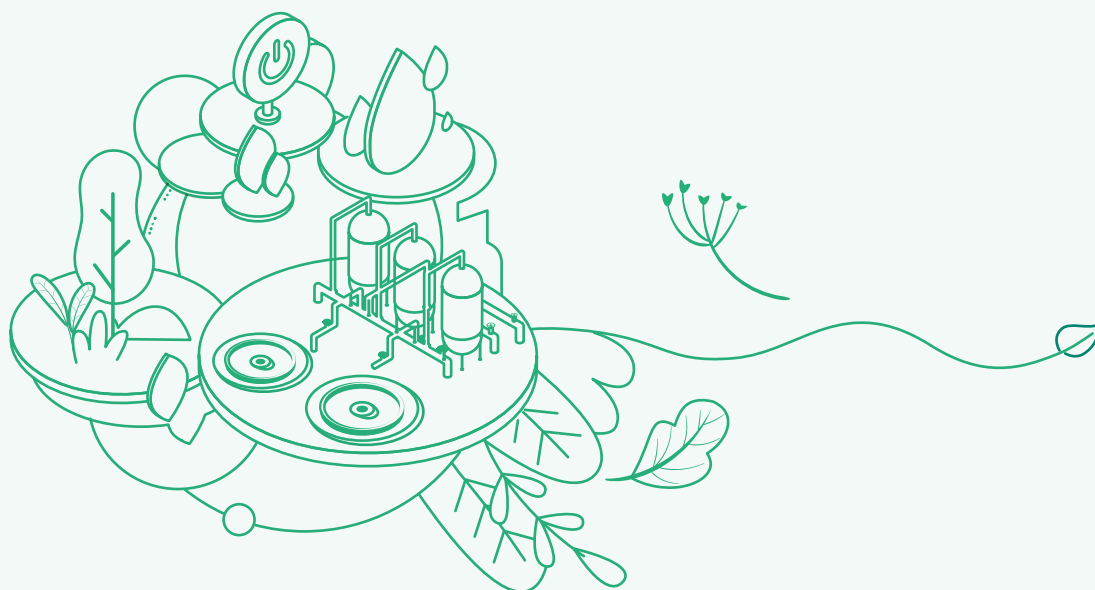
In 2022, the R&D expenses of CITIC Heavy Industries reached RMB636 million, an increase of RMB120 million compared to the previous year, with a R&D investment intensity of 7.20%. Among them, RMB28 million was allocated specifically to the R&D of new energy technology equipment as well as energy-saving and environmental protection technology equipment.

	2022	2023
New energy technology equipment	<ul style="list-style-type: none"> ✓ Continued to collaborate with Longyuan Zhenhua, Mingyang Smart Energy, Guangdong Electric Power Design Institute, and other partners to advance its efforts in wind power technology. ✓ Completed the batch delivery of the single pile for the SPIC Jieyang Shenquan II Offshore Wind Power Project on time. This pile was the heaviest with the largest diameter in China at the time, representing a major milestone for the company's progress in the new energy equipment industry ✓ Continued to expand the range of products and services related to offshore wind power core construction equipment and intelligent operation and maintenance. These include hydraulic pile-driving hammers, floating wind power platforms, and rock-socketed drilling machines. It is worth noting that the hydraulic impact pile hammer project has recently obtained certification from China Classification Society. ✓ The new energy equipment business achieved an operating income of RMB926 million, accounting for 10.49% of the company's total revenue. 	<ul style="list-style-type: none"> ✓ Focus on developing new energy equipment businesses such as wind power host equipment and key components, while continuing to expand investment in this area.
Energy-saving and environmental protection technology equipment	<ul style="list-style-type: none"> ✓ Completed the trial production and successful testing of China's largest GPYJ900-12W tailings disc filter, marking a significant breakthrough in energy-saving and environmental protection technology. ✓ Continued to research on dual-supercritical power generation technology for low-quality coal gas under extreme conditions, as well as tailings treatment processes and key equipment technology. 	<ul style="list-style-type: none"> ✓ Prioritise the progress in the "Technology Research and Engineering Application for High-Efficiency Recovery of Sintering Flue Gas Residual Heat Using Vertical Cooling" project with a planned R&D investment of RMB64 million. This initiative will effectively address the issue of inefficient use of waste heat from flue gas and the unregulated discharge of pollutants, thereby helping to achieve energy efficiency in the steel-making process.

Green Production

We adhere fully to national laws and regulations, including the laws on preventing and controlling atmospheric, water and solid waste pollution. In line with the concept of whole lifecycle management, we control pollution at source, in our processes and at end-of-pipe. We also promote clean production through a coordinated approach of reducing pollution and carbon emissions. In 2022, the Company was not subject to any environmental lawsuits or penalties.

Measures Implemented: Key Achievements	Measures Implemented: Key Achievements
Water pollution treatment	In 2022, CITIC Environment processed around 506.7 million tons of wastewater, supplied 46.31 million tons of water, and provided 22.09 million tons of reused, recycled water. Additionally, it disposed of about 180,000 tons of sludge, reduced COD emissions by 152,187 tons, ammonia nitrogen emissions by 9,602 tons, SS emissions by 108,247 tons, total phosphorus emissions by 1,408 tons, and total nitrogen emissions by 10,339 tons.
Pollution reduction	CITIC Pacific Mining has optimised its ore dressing and processing technology and introduced high-pressure grinding rollers on one-third of its production line. This technology is expected to lower energy consumption per ton of concentrate by about 7% and reduce greenhouse gas emissions.
	CITIC Heavy Industries has embarked on two transformation projects aimed at enhancing energy efficiency: a mechanical pump vacuum project and heat storage furnace project. Together, these initiatives will result in a yearly reduction of 7,055 tons of standard coal.
Enhancement of energy utilisation efficiency	CITIC Dicastal invested RMB750,000 for developing the new equipment project on residual heat of fuel gas, contributing to an annual maintenance fees cut of RMB30,000 and extended service life of more than 5 years.
Resource management platform construction	CITIC Heavy Industries has established an Internet + energy management platform that will analyse and control energy costs more effectively. The energy management system has passed a quality re-certification audit conducted by the China Classification Society.
	CITIC Engineering Leverages “IoT + CITIC Cloud” technology, and has developed a smart water service platform that manages its entire water service process.



Green Building and Office

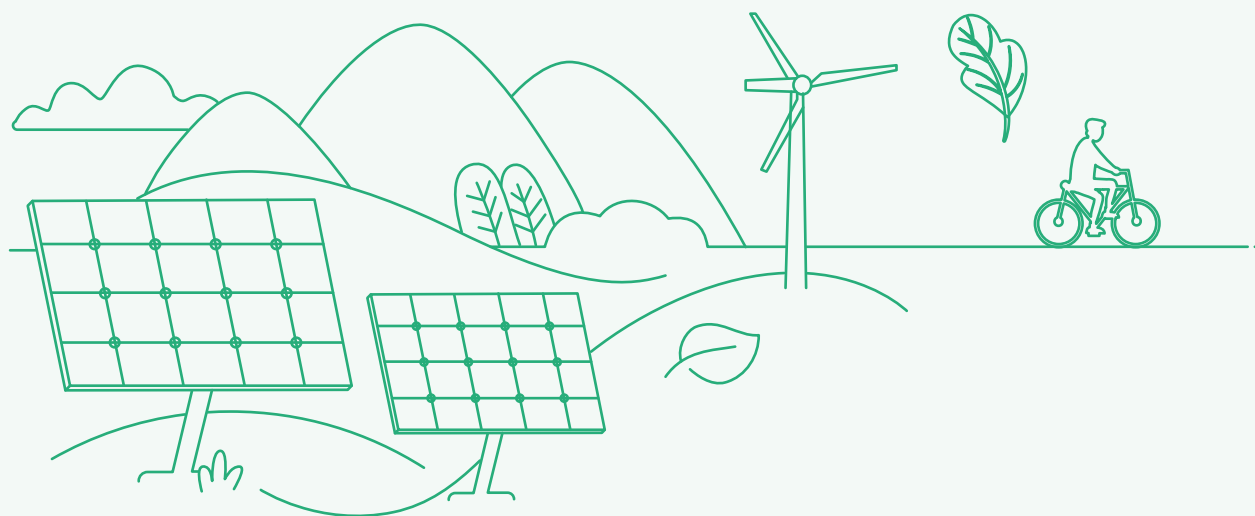
We incorporate environmental protection concepts into every aspect of the design, engineering construction, and operation and maintenance of our buildings. We also promote a green office culture among our staff and encourage our subsidiaries to find innovative ways to save water, electricity, gas, paper and fuel. We also support paperless operations, meetings and training to foster a sustainable and healthy work environment.

CITIC Tower, which is home to our Beijing headquarter, exemplifies our commitment to sustainable practices. Since its opening, we have initiated a variety of measures to reduce energy consumption, such as energy saving during the winter season, installing updated lighting fixtures and fine-grained lighting, as well as optimising water pump controls. What's more, The building team routinely collects and evaluates energy consumption and other operating data to assess equipment performance across the system. We also conduct month-over-month and year-over-year energy consumption analyses to ensure continuous improvement in energy efficiency.

Energy Saving Results and Plans for CITIC Tower (Beijing)		
	2022	2023
Electricity saving	<ul style="list-style-type: none"> ✓ Optimized the control logic of the chilled water pumps on R3 and M6 floors of the building, controlled the operation of the pump group based on actual flow rate and set reasonable boundary frequency. The optimized water transport factor of chilled water (WTFch) was increased by 35.05% compared to the same period last year, saving 41,000 kWh of electricity and reducing carbon emissions by 25 tons year on year. 	<ul style="list-style-type: none"> ✓ Plan to conduct energy efficiency inspections and sensor calibration for the cold source to optimize its performance. By refining the control strategy of the cooling tower and formulating the operating conditions of the cold machine, we aim to achieve a 2.5% increase in overall energy efficiency and save 112,000 kWh of electricity annually.
	<ul style="list-style-type: none"> ✓ Refined the management of public lighting in refuge areas and machine rooms by keeping the low-demand circuits closed through remote control. Despite an 8.42% increase in occupancy rate, the annual electricity consumption of the public lighting system only increased by 1.06%. 	<ul style="list-style-type: none"> ✓ As the second-largest energy-consuming subsystem in CITIC Tower, the annual electricity consumption of the public lighting system accounted for 8.53%, second only to the cold machine's 8.79%. In 2023, we will continue to tap the energy-saving potential of public lighting by optimizing the management of the lighting in the cross area and the sky lobby of the building, with an expected annual saving of 71,000 kWh of electricity.
	<ul style="list-style-type: none"> ✓ Through measures such as thermal imaging scans and local sealing of the building envelope, as well as optimizing the anti-freezing setting for unoccupied areas, we reduced heating electricity consumption by 524,000 kWh, saved 3,238 GJ of heat, and reduced carbon emissions by 672.7 tons despite an increase in occupancy rate compared to the same period in 2021. 	

Energy Saving Results and Plans for CITIC Tower (Beijing)

	2022	2023
Avoiding food waste	<ul style="list-style-type: none"> ✓ Using the Ruijing System in our canteen for big data analysis, we have been able to calculate the precise amount of per capita food consumption and adjust ingredient purchases accordingly. ✓ We tailored the amount of food on offer according to the number of daily diners allowing us to minimise food waste substantially. ✓ We have posted slogans in prominent positions in our dining areas to encourage more rational food consumption. ✓ In 2022, monthly per capita food consumption decreased significantly compared with the previous year: grains and oils by 55%, meat and aquatic products by 50%, and fruits and vegetables by 51%. Kitchen waste also decreased by 61% (number of kitchen waste bins per month/number of diners in the same month) compared with the previous year. 	<ul style="list-style-type: none"> ✓ Optimise ingredient processing techniques to improve cutting and processing yields and maximise the use of ingredient scraps to minimise kitchen waste. ✓ Increase our understanding of staff travel and leave patterns to determine the number of daily diners and achieve less wasteful meal preparation. ✓ Utilise big data to accurately capture the dining preferences of our employees, thus enabling us to identify popular dishes, better cater to employee needs, and reduce food waste. ✓ Promote simplified meals and standardised diets; offer small dishes and combined plates so that employees can make food choices according to their needs and encourage them to take leftovers home.



Ecological Conservation

Our environmental philosophy is to promote harmonious coexistence between humans and nature, while preserving vital ecosystems, biological species and genetic resources throughout our operations, thereby safeguarding ecological and biological security.

Implemented Measures	Key Achievements
Commitment to biodiversity conservation	CITIC Bank is committed to steering its financial resources towards biodiversity conservation, as demonstrated by its participation in the Joint Declaration of Banking and Financial Institutions in Supporting Biodiversity Conservation. To that end, the Bank provided credit support to the Youran Fishermen's Professional Cooperative Society in Sansha Ganquan Island for its long-spine starfish trapping service. This initiative is critically important for improving coral reefs in the waters surrounding the Xisha and Nansha Islands and maintaining ecological balance in the South China Sea.
Enhanced environmental protection training and promotion	<p>CITIC Pacific Mining has established a comprehensive environmental management system, under which employees receive environmental training courses on topics such as mine site clean-ups, indigenous heritage protection, weed control, waste management and animal and plant protection, before the start of work.</p> <p>CITIC Environment continued its River Health Check-up campaign with a series of activities that engaged local communities and primary school students. During the campaign, they became involved in testing the water quality of nearby rivers and went on virtual tours of the Chaonan Circular Industrial Park. A total of 180 events were held, involving 14,000 participants and reaching over 200,000 people. The campaign generated over 480,000 mentions on WeChat and nearly 120,000 online livestream views, with coverage from 500 media outlets.</p>
Ecological restoration and rehabilitation	CITIC Construction identifies key flora and fauna that need protection during project environmental impact assessments, and prohibits excessive deforestation after projects commence. Prior approval is required for any temporary land occupation, deforestation or tree removals that are necessary. After the project is completed, the site will be restored and greened through plantings in accordance with the plan, thereby ensuring effective protection of the ecological environment and biodiversity.



River Health Check-up: An environmental protection public welfare initiative led by CITIC Environment



Employees: Developing Talent and Supporting Staff Growth

As of the end of 2022, CITIC Limited had a total of 161,408 official employees, with women making up 39% of our workforce and employees under the age of 35 accounting for 52% of our team.

Employment Statistics

Indicators	As of 31 December 2022
Total number of employees ⁴	161,408
Total number of labour dispatch employees	8,760
Male employees	98,792
Female employees	62,616
Number of employees aged 30 or below	43,556
Number of employees aged 31-35	40,797
Number of employees aged 36-40	30,638
Number of employees aged 41-45	16,601
Number of employees aged 46-50	13,471
Number of employees aged 51-55	10,561
Number of employees aged 56 or above	5,784
Number of employees in the Chinese Mainland	143,528
Number of employees in Hong Kong, Macau and Taiwan	10,371
Number of employees in other countries and regions	7,509
Number of employees with a PhD degree	862
Number of employees with a master's degree	33,089
Number of employees with a bachelor's degree	76,029
Number of employees with an associate degree or below	51,428

⁴ This includes official contract employees at the headquarters and subsidiaries, excluding labour dispatch employees.

Employee Turnover Statistics

	Indicators	As of 31 December 2022
Headquarters	Employee turnover rate	0.80%
	Female employee turnover rate	0.50%
	Male employee turnover rate	1.00%
	Employee turnover rate of those aged 30 and below	2.00%
	Employee turnover rate of those aged 31-40	0.60%
	Employee turnover rate of those aged 41-50	1.00%
	Employee turnover rate of those aged 51-59	0.00%
	Employee turnover rate of those aged 60 and above	0.00%
	Employee turnover rate in the Chinese Mainland	0.80%
CITIC Bank	Employee turnover rate	3.29%
	Female employee turnover rate	2.91%
	Male employee turnover rate	3.75%
	Employee turnover rate of those aged 30 and below	5.14%
	Employee turnover rate of those aged 31-40	3.28%
	Employee turnover rate of those aged 41-50	1.30%
	Employee turnover rate of those aged 51-59	0.49%
	Employee turnover rate of those aged 60 and above	0.00%
	Employee turnover rate in the eastern region	3.31%
	Employee turnover rate in the central region	3.13%
	Employee turnover rate in the western region	3.57%
	Employee turnover rate in the northeastern region	2.81%
CITIC Securities	Employee turnover rate	8.52%
	Female employee turnover rate	7.92%
	Male employee turnover rate	9.07%
	Employee turnover rate of those aged 30 and below	11.68%
	Employee turnover rate of those aged 30-50	6.42%
	Employee turnover rate of those aged 50 and above	4.07%
	Employee turnover rate in the Chinese Mainland	7.83%
	Employee turnover rate in Hong Kong, Macau and Taiwan regions	12.53%
	Employee turnover rate in other countries and regions	19.77%
China Securities	Employee turnover rate	8.17%
	Female employee turnover rate	7.79%
	Male employee turnover rate	8.23%
	Employee turnover rate of those aged 30 and below	10.30%
	Employee turnover rate of those aged 30-50	6.40%
	Employee turnover rate of those aged 50 and above	11.04%
	Employee turnover rate in the Chinese Mainland	7.92%
	Employee turnover rate in the Hong Kong	21.99%

	Indicators	As of 31 December 2022
CITIC Resources	Employee turnover rate	8.28%
	Female employee turnover rate	8.11%
	Male employee turnover rate	8.33%
	Employee turnover rate of those aged 30 and below	50%
	Employee turnover rate of those aged 31-40	5.26%
	Employee turnover rate of those aged 41-50	8.47%
	Employee turnover rate of those aged 51-59	5.17%
	Employee turnover rate of those aged 60 and above	0.00%
	Employee turnover rate in the Chinese Mainland	4.55%
	Employee turnover rate in Hong Kong, Macao, and Taiwan regions	28.00%
CITIC Telecom International	Employee turnover rate	16.70%
	Female employee turnover rate	16.99%
	Male employee turnover rate	17.14%
	Employee turnover rate of those aged 30 and below	25.16%
	Employee turnover rate of those aged 31-40	15.46%
	Employee turnover rate of those aged 41-50	12.15%
	Employee turnover rate of those aged 51-59	5.73%
	Employee turnover rate of those aged 60 and above	0.00%
	Employee turnover rate in the Chinese Mainland	12.72%
	Employee turnover rate in Hong Kong, Macau, and Taiwan regions	18.72%
	Employee turnover rate in other countries and regions	17.24%

Promoting Inclusivity, Building a Platform for Talent Growth

At CITIC, we prioritise inclusivity and fairness and fully adhere to all relevant employment laws and policies. Our labour contracts signing rate is 100%. Under our management policies, we have standardised labour contracts and mediation committees comprising both employee and company personnel to ensure balanced representation. We also have an employee complaint policy that provides a fair, efficient and equal mechanism for addressing employee grievances, with the aim of building harmonious and stable labour relations.

In our employee recruitment and career development, we emphasise job-person matching, transparency and fairness, with strict prohibitions against the employment of child labour and forced labour. In line with these policies, we do not tolerate discrimination against anyone based on their race, gender, religion, ethnicity, nationality or physical disabilities. We also provide anti-discrimination and anti-harassment training to promote a harmonious and diverse workplace culture.

We believe that listening to our employees is critical to our success and have established an employee congress so that major issues affecting the interests of employees can be reviewed. We have also advocated for collective contracts⁵ that safeguard the rights and interests of women. All financial subsidiaries and some industrial subsidiaries have already completed this process, including a collective contract at our headquarters in March 2023 that will remain in effect for three years. Our ultimate goal is to have all subsidiaries to arrange collective contracts for protecting female employees' legal rights and interests, and to advocate the gender equality in our company.

CITIC Bank set up feedback mechanisms so that employees can report problems and make suggestions. These include the President's Mailbox, a Department General Manager's Mailbox and Speak Up, a platform that has received 205,000 visits and 4,722 suggestions. The overall resolution rate of issues received through these channels is 90%, with an average satisfaction rating of 4.78 out of 5.

CITIC Mining in Australia fully respects the festivals and cultural customs of different ethnicities and races among its employees and contracted personnel, who are encouraged to participate in the activities of indigenous communities as a way to promote cultural exchange.

At CITIC Heavy Industries, the labour union signs collective contracts and wage agreements with management representatives on behalf of all employees.

Improving our Performance-based Compensation System

We have made a significant effort to improve our performance-based compensation system, bring it in line with local government policies, and benchmark it against industry standards. Employees receive competitive compensation packages and are rewarded based on their performance and contributions to the company.

Employee compensation structures align with the specific requirements of different roles, including special bonuses for positions in sales and investment. Clear rules have also been established for deferred bonuses and compensation compensation reclaiming and withholding mechanisms mechanisms for our financial subsidiaries, including information disclosure, board review and regular reporting.

We have been continually upgrading our incentive and restraint mechanisms to ensure the sustainable development of the Company, as well as our medium- and long-term incentive plans. We have also continued to improve our employee insurance, welfare plans, working hours and vacation policies.

As required by the Hong Kong SAR Government, we contribute to the Mandatory Provident Fund for all employees in Hong Kong. In compliance with local regulations in the Chinese mainland, we have achieved full basic social insurance coverage for all employees. Most of our domestic subsidiaries have enterprise annuities (supplementary pension insurance) as well as supplementary medical insurance. Over 156,000 employees of CITIC, including retired employees and others, now receive insurance coverage.

In 2022, we conducted a comprehensive review of our compensation management system throughout the company. A total of 65 compensation and performance-related issues were also identified and rectified within our subsidiaries. In response to concerns raised by both employees and our company, we carried out a special initiative to improve employee satisfaction with their compensation.

⁵ The collective contract for protecting the rights and interests of female employees covers labour rights (employment opportunities, equal pay for equal work, rest and vacation, welfare benefits and opposition to gender discrimination), special interests (exemptions from certain types of work that may pose risks to female health, maternity benefits, and other related matters). Also covered are political, cultural, educational, and developmental rights (vocational education, technical training, career advancement, and participation in democratic management), as well as other matters that require negotiation.

Expanding our Training Channels

We are continuously improving our training programmes in support of our talent-driven strategy, which is reflected in our 14th Five-Year Plan for talent development. Our training now includes a focus on six key types of individuals: those with expertise in inter-disciplinary management and operations, finance, technology, international business and high-skilled areas, as well as outstanding young talent.

We have also been re-evaluating professional qualifications, which resulted in 95 employees receiving senior professional titles and 103 international and domestic professional qualifications being recognised with corresponding job titles. In addition, we recommended five individuals for the National Talent Program and assisted one person in his application for a National Technical Expert title. Moreover, we provided guidance to our subsidiary companies on how to apply for post-doctoral research centers and provided opportunities for experts to take part in professional seminars.

In 2022, we helped 45 management personnel participate in specialised training organised by higher-level units and 736 employees to take online courses in carbon neutrality. We also introduced 34 collaborative training programmes for 998 employees. Additionally, we arranged training for young and middle-aged staff as well as orientation classes for new employees, amounting to a total of 420 class hours. Seven online training programmes and 23 webinars were also offered, as well as more than 1,000 professional courses. The cumulative participation in course learning reached 120,000 person-times, with online trainee numbers continuing to hit new highs. We also improved the functionality of our online learning system, supported the diverse learning needs of employees and expanded the number of learning channels we provide.

For the management trainee programme offered at our headquarters, we have improved the learning platform and database while ensuring returnees from job rotations are placed in appropriate positions. We also set up a quarterly reporting system to monitor the progress of previous management trainees returning from job rotations. To maintain a consistent and positive employer brand for CITIC, we expanded our cooperation with key domestic universities. According to our Employee Code of Conduct, we provide courses on ethical practices for new employees and middle-aged managers. We also improved the mechanism set up for integrity reporting, clue transfer and supervision results sharing, which cover our young employees.

CITIC Heavy Industries established a dual-track approach to talent development that combines performance and ability, as well as a five-tier management system for technical talent. For our highly skilled team of blue collar workers, we made progress with our Gold-Blue-Collar Programme and set up a national model workers studio, comprising seven master craftsman studios and 16 chief employee innovation workstations. As a result of these initiatives, many exemplary industrial workers have emerged, including those who have been recognised as national model workers and top 10 craftsmen.

China Securities has supported employee development by providing reimbursements for professional and technical qualification training, such as the Chartered Global Fintech program. Over 9,800 employees participated in follow-up training for securities practice qualifications during the year, and 6,328 employees participated in follow-up training for fund management practice qualifications, while 1,372 employees received pre-exam training for fund management practice qualifications, and 666 received follow-up training for futures practice qualifications. A total of 189 staff received follow-up training for the Licensing Examination for Securities and Futures Intermediaries (Hong Kong), and 122 participated in continuing education training for accounting, and sponsored 23 employees for their Chartered Global Fintech program and other training.

Employee Training Statistics

	Indicators	As of 31 December 2022
Headquarters	Number of employee training programs	53
	Percentage of male employees participating in training (%)	95%
	Percentage of female employees participating in training (%)	94%
	Percentage of managerial employees participating in training (%)	100%
	Percentage of non-managerial employees participating in training (%)	96%
	Per capita training hours received by male employees (hours/person)	77
	Per capita training hours received by female employees (hours/person)	66
	Per capita training hours received by managerial employees (hours/person)	111
	Per capita training hours received by non-managerial employees (hours/person)	69
CITIC Bank	Percentage of male employees participating in training (%)	100%
	Percentage of female employees participating in training (%)	100%
	Percentage of managerial employees participating in training (%)	100%
	Percentage of non-managerial employees participating in training (%)	100%
	Per capita training hours received by male employees (hours/person)	235
	Per capita training hours received by female employees (hours/person)	254
	Per capita training hours received by managerial employees (hours/person)	134
	Per capita training hours received by non-managerial employees (hours/person)	429
CITIC Securities	Percentage of male employees participating in training (%)	100%
	Percentage of female employees participating in training (%)	100%
	Percentage of managerial employees participating in training (%)	100%
	Percentage of non-managerial employees participating in training (%)	100%
	Per capita training hours received by male employees (hours/person)	126
	Per capita training hours received by female employees (hours/person)	126
	Per capita training hours received by managerial employees (hours/person)	118
	Per capita training hours received by non-managerial employees (hours/person)	126

	Indicators	As of 31 December 2022
China Securities	Percentage of male employees participating in training (%)	89%
	Percentage of female employees participating in training (%)	85%
	Percentage of managerial employees participating in training (%)	100%
	Percentage of non-managerial employees participating in training (%)	87%
	Per capita training hours received by male employees (hours/person)	48
	Per capita training hours received by female employees (hours/person)	42
	Per capita training hours received by managerial employees (hours/person)	314
	Per capita training hours received by non-managerial employees (hours/person)	43
CITIC Resources	Percentage of male employees participating in training (%)	74%
	Percentage of female employees participating in training (%)	27%
	Percentage of managerial employees participating in training (%)	91%
	Percentage of non-managerial employees participating in training (%)	27%
	Per capita training hours received by male employees (hours/person)	32
	Per capita training hours received by female employees (hours/person)	18
	Per capita training hours received by managerial employees (hours/person)	22
	Per capita training hours received by non-managerial employees (hours/person)	26
CITIC Telecom International	Percentage of male employees participating in training (%)	87%
	Percentage of female employees participating in training (%)	86%
	Percentage of managerial employees participating in training (%)	100%
	Percentage of non-managerial employees participating in training (%)	90%
	Per capita training hours received by male employees (hours/person)	12
	Per capita training hours received by female employees (hours/person)	9
	Per capita training hours received by managerial employees (hours/person)	17
	Per capita training hours received by non-managerial employees (hours/person)	12

Promoting a Caring Workplace and Employee Well-being

We allocated more than RMB4.2 million to provide care and assistance to employees who are facing difficulties or worked during the holidays and participated in disaster relief efforts. We also disbursed RMB911,800 as special heatstroke prevention assistance for frontline workers at 14 branches affected by persistently high temperatures in areas such as Shanghai, Chongqing and Hangzhou. To assist confirmed COVID-19 cases and asymptomatic carriers, we disbursed RMB289,000. We also launched the Golden Autumn Education initiative, which donated RMB221,000 to 76 employees struggling to pay for their children's education. Furthermore, we collaborated with 32 grassroots labour unions to build a home for employees and allocated resources that benefited frontline employees in need.

As part of our efforts to support our female employees, we built a total of 27 women's care rooms and mother-and-baby rooms. We also provided legal education and outreach initiatives, including animated videos on the five phases of working women's lives, and distributed 1,080 legal guides and educational materials.

To help employees balance their work and family lives, we organised four summer daycare programmes for 145 employees and their children, amounting to a total of 20 working days. We also organised various parent-child education activities and offered our support to employees with disabled children.

As many of our young employees have difficulties finding affordable housing, we have set up youth apartments in Beijing and other cities in China. Our Beijing apartment currently accommodates more than 800 young employees. We also organised events for nearly 80 single employees from CITIC, including two online and offline socialising activities held by the All-China Federation of Trade Unions.

To promote a healthy lifestyle among our employees, we strongly encourage all our subsidiaries to organise group jogging activities. We also focus on our employees' mental health through initiatives such as one-on-one psychological counselling services and lectures on psychology by leading experts.

Providing a Safe and Healthy Work Environment

In accordance with health and safety regulations, we have established a safety committee headed by our Chairman and General Manager to ensure the adequacy of our emergency response capabilities. In 2022, we introduced measures that categorise the safety production risks of our subsidiary companies into three levels, based on their business activities. The measures outline the safe production methods to be followed, as well as the prevention measures, contingency plans and reporting and incentive systems to be complied with. This has improved safety at all levels of the whole system, contributed to the well-being of our employees and helped to protect our Company's physical assets.



In 2022, we undertook a one-and-a-half month safety production inspection of all our first-tier subsidiaries. The inspection focused on seven key areas: leadership responsibility, organisational structure, system construction, prevention mechanisms, emergency management, management and control of important business locations and key buildings. A simultaneous safety risk investigation was also carried out. In addition, our subsidiary companies were required to conduct self-inspections, with on-site inspections for those based in Beijing and online inspections held for those outside Beijing. Through this exercise, we were able to identify risks for each subsidiary and suggest improvements. A follow-up inspection will be carried out in 2023 to address identified weaknesses.

Employee Health and Safety Statistics

Indicators	As of December 31st, 2022
Number of employee deaths due to work-related reasons	
– Number of employee deaths due to work-related reasons in 2020 (people)	2
– Number of employee deaths due to work-related reasons in 2021 (people)	0
– Number of employee deaths due to work-related reasons in 2022 (people)	1
Proportion of work-related deaths	
– Proportion of work-related deaths in 2020 (%)	0.0015
– Proportion of work-related deaths in 2021 (%)	0
– Proportion of work-related deaths in 2022 (%)	0.0006
Number of employees who lost work time due to work-related injuries (days)	7230.40



Excellence: Our Commitment to Quality Products and Service

In our pursuit of building an outstanding corporation, we focus on earning the trust of our customers. As a customer-centred organisation, we focus on creating innovative products, services and business models to meet evolving market demand to the fullest extent possible.

Promoting Technological Innovation

To build an outstanding, technology-driven enterprise, we developed our first five-year plan for technological innovation. Under this plan, we have ten major innovation projects, including improvements in automotive manufacturing and the establishment of technological innovation and technological expert committees, as well as a scientific and technological association. We also appointed a chief engineer, created new plans for scientific research, and set up a programme to recognise technological achievements. By promoting innovative technology, we are developing new drivers and growth engines for our company's future.

Increasing Investment in Research and Development

We have implemented a policy to reinvest profits into research and development, allocating RMB1 billion for research and RMB100 million for annual R&D salaries. This policy incentivises our subsidiary companies to increase their own investments in R&D and undertake strategic, forward-looking technology projects. In 2022, we invested RMB17.8 billion in research and development and set an R&D budget of RMB22.6 billion for 2023, representing an estimated technology investment intensity of over 3%.

Making Breakthroughs in Technology

CITIC Bank is accelerating the conversion of cutting-edge technologies such as quantum computing, the Internet of Things and artificial intelligence into tangible products. It has recently developed a blockchain platform, which passed the information innovation assessment of the Ministry of Industry and Information Technology.

CITIC Heavy Industries has successfully developed a seven-axis hydraulic heavy-duty mechanical arm with autonomous and human-machine interaction functions. The technology behind this product is considered to be at the forefront of the international market.

CITIC Agriculture has formed an alliance with leading research institutions to collaborate on tackling key challenges in breeding technology in hybrid rice. Its subsidiary, Longping High-tech, has developed 85 new varieties that have been approved by the state.

Upgrading our Industrial Products

CITIC Dicastal made steady progress on its integration project for large-scale aluminium alloy structural components, including the completion of critical tasks such as the development of non-heat treatment materials, casting moulds and host equipment designs. This integration project has the potential to reduce manufacturing lead times and lower production costs for the automotive industry.

CITIC Limited has been promoting its capabilities as a lighthouse factory (an Industry 4.0 factory on the cutting edge of intelligent manufacturing), using our own platform architecture, core industrial sensors and industrial AI algorithm models. The company has forged a business layout featuring "1+1+5", which combines "Lighthouse Factory" consulting, industrial Internet platform construction, and the development of core "AI+" products through five major capacities and solutions. This approach enables the digital transformation of industries such as steel and new energy, driving high-end, intelligent, and sustainable growth in traditional manufacturing sectors.

CITIC Environment has developed the CITIC Intelligent Construction Platform based on the National BIM Project. This platform has been utilised in multiple pilot projects and was recognised by the Ministry of Housing and Urban-Rural Development as one of the first intelligent construction/innovative service cases.

CITIC Telecom International has implemented the ICT-MiiND strategy, which will accelerate its transformation from a service provider into an intelligent communications enabler. Its subsidiary, Macau Telecom, has obtained a 5G license that will support Macau's digital transformation.

Creating Support for Science, Production and Finance

We are harnessing our strengths in manufacturing, finance and innovation to provide financial support that enables specialised/sophisticated companies to produce new and unique products. Emerging industry loans extended by CITIC Bank have so far achieved a YoY increase of 37.3%. What's more, CITIC Securities and China Securities now lead the industry in the number and amount of sponsored projects on the Science and Technology Innovation Board and the Beijing Stock Exchange.

We have also established a strategic investment platform with a fund-plus-direct investment approach for innovative, early-stage small enterprises. To support industrial incubation and open up new development pathways, we helped establish the CITIC Hangzhou Science and Technology Innovation Fund, with initial funding of RMB5 billion.

We also continued to look for exchange and cooperation opportunities with major scientific research institutes. To date, we have set up 110 research and development institutions and 24 high-tech enterprises, including the National Key Laboratory for Intelligent Mining Heavy Equipment under CITIC Heavy Industries. This facility has contributed to the deep integration of innovation chains, industrial chains, fund chains and talent chains.

CITIC's Debut at the 2022 World Artificial Intelligence Conference

In June, we hosted the Smart CITIC, Beyond the Possibilities exhibition and forum, featuring technological innovations in smart finance, intelligent manufacturing, smart construction, smart living and digital infrastructure. We also launched the industry's first digital wealth advisor — Xiao Xin — which received widespread attention across all sectors.



CITIC exposition at the 2022 World Artificial Intelligence Conference



Launching the industry's first digital wealth advisor-Xiao Xin

CITIC Wins First Prize 5G Application Competition

CITIC Offshore Helicopter won the first prize in the final of the Zhanfang Cup 5G Application Competition for the 5G + satellite smart aviation solution developed with the China Academy of Information and Communications Technology and China Telecom. The solution is the first to use a self-developed 5G airborne fusion terminal to meet the needs of emergency rescue and offshore operations.



CITIC COHC won the first prize in the final of the Zhanfang Cup 5G Application Competition, organised by the Ministry of Industry and Information Technology.

Strengthening Quality Control

CITIC complies fully with all laws, regulations and relevant provisions with regard to product health and safety. To understand and control the health and safety risks we face, we have established a risk management department and incorporated information on major customers, key suppliers, safety production and reputational incidents into the risk management database. We also provide guidance to CITIC Financial Holdings on establishing risk isolation mechanisms that help to ensure the independent operation and management of the company and its subsidiaries, protect customers and prevent the spread of risks. In addition, we have a system and procedures in place that enable us to integrate major quality issues with performance assessments.

We also encourage the adoption of quality management and supervision systems. Several subsidiaries have obtained specialised certifications, such as ISO 9001, ISO 45001, and ISO 14001, to ensure our products and services meet quality, health and safety standards.

CITIC Dicastal	<ul style="list-style-type: none"> ✓ Devised and developed error prevention methods, specialised inspection procedures, and inspection manuals for product design, process design, and quality inspection. All manufacturing facilities are required to fully utilize these outputs and provide internal training to ensure effective control over product quality. ✓ Established a first-piece/first-batch review mechanism to enable risk identification during the initial stage of mass production, thereby promoting continuous improvement and enhancement of the production line. Due to a current shortage of capacity to review the first batch of products for mass production, all affiliated companies are required to create an internal evaluation process for their first-batch products to guarantee the quality of their initial delivery. ✓ By exchanging best practices and lessons learned from factories both at home and abroad, the company promoted “globalisation and localisation” capacity building in quality management for its overseas factories.
CITIC Heavy Industries	<ul style="list-style-type: none"> ✓ The company formulated a series of management systems, including the <i>Product Installation and Commissioning Quality Control Management System</i>, the <i>After-sales Non-conformance Report (NCR) Management Method</i>, and the <i>Product Warranty Management Regulations</i>, while also implementing a recall system for non-conforming products as part of its after-sales services. In 2022, the company revised its Q/HM 19104 <i>Product Quality Warranty Management Regulations</i> and refined the procedures for recalling non-conforming products. Throughout the year, a total of 166 sets of products were installed and commissioned at customer sites without any incidents of non-conforming product recalls. ✓ The company has designated its quality department to oversee the entire quality planning process, process monitoring, and final product acceptance. Any materials, parts, or components that fail to meet the required standards are immediately identified, recorded, reviewed, isolated, and properly disposed of. This ensures that only qualified materials and raw materials are used for production, only products that meet the criteria from previous processes are advanced to the next stage, only up-to-standard parts and components are assembled into the final product, and only products meeting the necessary specifications are delivered to customers.

Meeting the Demands of Customers

The collaborative sharing platform, CITIC Synergy+, was established in 2022 as the first group-level business operation and control platform with mobility features and intelligent capabilities. It integrates functions such as collaborative information aggregation, command and dispatch, and ecosystem development, with the goal of providing our customers with better, more comprehensive services. Since its launch, the system has attracted 100,000 activated users with a total of 400,000 logins.



Achievements in 2022

Shared customers	11,779
Collaborative projects	497
Shared products	947
Experts	721
Excellent collaborative cases	1,164
Research reports	848

At CITIC Heavy Industries, we established a quick response mechanism and marketing services synergy management platform. require our teams to develop service plans within a half work day so that they can provide feedback to customers within two work days. For on-site solutions, we insist that our teams arrive at customer locations within 48 hours. To meet the needs of our overseas customers, we have companies, offices and spare parts service bases in countries and regions such as Australia, Brazil and Peru.

In 2022, CITIC Pacific Special Steel held a strategic user seminar to present its current management situation and future development plans to its customers. More than 660 representatives from over 320 organisations attended the event and expressed their interest in forging deeper partnerships.

Safeguarding Financial Consumers



Protecting the financial rights and interests of consumers is a critical issue for the sustainable development of the financial industry. Any significant business risk that is not adequately addressed and resolved can have a profound impact on financial institutions. At CITIC, we prioritise transparency and honesty in all our dealings with customers and continually reinforce our efforts to safeguard the interests of financial consumers. In 2022, we established CITIC Financial Holdings to oversee the initiatives of our financial subsidiaries, including CITIC Bank and CITIC Securities, and urged them to take proactive measures in customer service, private information protection and investor education. Furthermore, we remain committed to investing in financial technology to provide customers with a seamless, advanced experience that ensures their safety and protection.

Building an Institutional Framework for Consumer Protection

CITIC Bank has developed a comprehensive institutional framework consisting of system, Administrative Measures for the Protection of the Rights and Interests of Consumers, Administrative Measures on the Protection of Consumer Financial Information, Administrative Measures of Accountability for Violations of Consumer Rights and Interests Protection, and Rules of Procedure of the Working Committee on the Protection of Consumer Rights and Interests to ensure effective control and governance across all stages of its operations. Among others, these systems cover key areas such as consumer protection, information disclosure, complaint management, consumer financial information protection, and financial literacy education.

Enhancing Service Quality

CITIC Bank is committed to upholding its Customer First core value by constantly improving its customer service culture and experience models, and infusing customer relationship management and consumer protection awareness into its products and services.

 <p>Certification training for job qualifications</p>	<ul style="list-style-type: none"> ✓ In 2022, we launched 1,031 new certification training courses and increased the number of available online courses to 3,992. ✓ To give all employees the opportunity to take relevant job qualification certification exams, we established examination centres in 77 cities nationwide and helped 12,198 employees complete these exams.
 <p>Specialized Training:</p>	<ul style="list-style-type: none"> ✓ We developed and distributed the latest <i>Service Quality Standards Manual</i> to every frontline employee, so they are able to deliver standardised quality services to customers on a daily basis. ✓ We conduct at least one training session on consumer rights protection annually, covering all levels of management, frontline employees and new hires. In 2022, CITIC Bank launched consumer protection training and an examination programme for all employees. Topics covered included regulatory policies, consumer financial information protection and complaint handling. About 55,000 employees passed the examination. ✓ We organised 3,386 training sessions on business, products and protocols for specialised staff members, with a total attendance of 824,000 person-times.

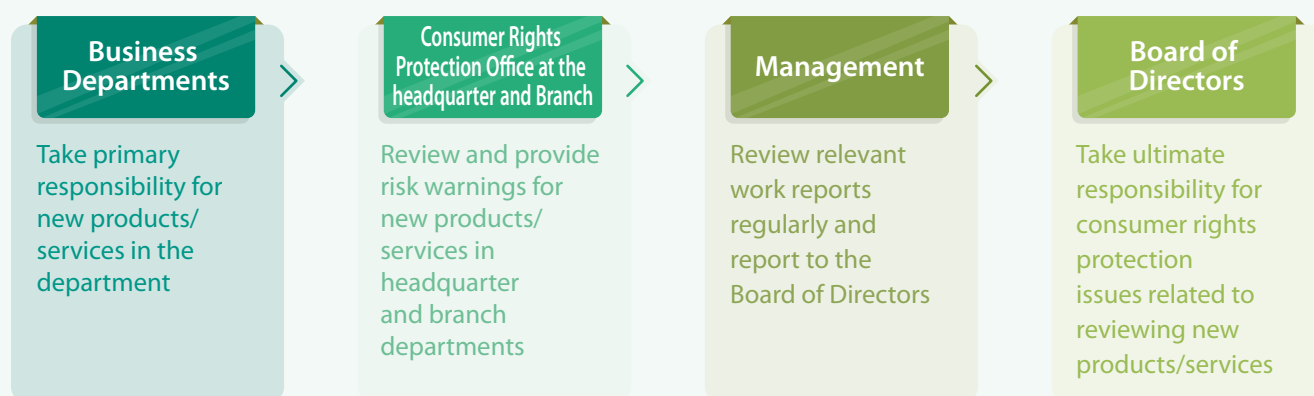
On 9 January 2023, CITIC Financial Holdings held the first CITIC Wealth Cup Wealth (Financial) Advisor Competition for its financial subsidiaries. The aim of the competition was to motivate wealth advisors to improve their professional skills and expertise.



Reviewing New Products and Services

In accordance with its commitment to responsible business practices, CITIC Bank established a dedicated Consumer Rights Protection Office that is accountable to the Board of Directors, which oversees the review of new products and services.

In 2022, the Board reviewed the Consumer Protection Work Plan for the year and made enhancements to the consumer protection reviews a top priority. The management of CITIC Bank provides semi-annual summaries of their work on consumer rights protection to the Board, covering key points on consumer protection incidents and their implementation status ahead of the review. During the year, CITIC Bank carried out 10,853 consumer protection reviews, a YoY increase of 287.05%. The review acceptance rate was 100%, an increase of nearly 4% from the previous year.



Ensuring Fair Marketing

We comply fully with laws and regulations on marketing and advertising, including Advertising Law of the People's Republic of China. We also conduct rigorous reviews of the advertising content and promotional materials of marketing campaigns to ensure we are providing customers with truthful and comprehensive information on our products.

CITIC Bank takes responsibility for financial marketing and advertising through its product, customer and channel departments. The Retail Finance Department, also known as the Consumer Rights Protection Office, oversees consumer protection-related aspects of financial marketing and advertising, including pre-review, in-process supervision and post-supervision.

To ensure its marketing practices are fair, CITIC Bank has developed management measures to strengthen the pre-review of marketing and advertising campaigns and enhance in-process and post-supervision. Inspections of existing products and services are carried out to ensure compliance with regulations. Sales of products that fail to meet our standards or infringe consumers' rights and interests are immediately suspended.

Furthermore, CITIC Bank conducts specialised education and training for marketing personnel during the launch of new products/services as well as training that improves their professional competencies with regard to consumer protection.

Improving Customer Debt Management

Post-loan Modification

CITIC Bank offers customers the option of making post-loan modifications as needed, and will conduct a risk assessment before changing eligible loan provisions or information. To improve the customer experience, the Bank makes it possible for customers to modify loan applications through its mobile banking service, personal e-banking and offline branches. For customers unable to apply for repayment plan adjustments on-site due to uncontrollable factors, the Bank allows conditional processing and provides a “make-up afterwards” option.

Credit Card Collection

CITIC Bank provides clear guidance on the strategy, process and methods for credit card collection. It has also developed operational norms for the credit card collection business to ensure it is conducted in a compliant and orderly manner.

Training is provided to both the Bank’s employees and third-party collection agency employees on credit card debt collection. These training programmes include face-to-face, video and digital sessions, covering a range of topics such as banking fundamentals, the credit card collection process, performance evaluation and management requirements, and consumer rights. The Bank’s goal with this training is to enhance employees’ professional competencies, compliance awareness and risk management capabilities.

Personal Loan Collection

CITIC Bank has established a comprehensive management system for the collection of personal loans. This system provides guidance on recovering personal loans that have gone into default as well as outsourcing to collection agencies, among other topics. To meet the evolving needs of the personal loan business, the Bank has created a management module for digital collection across the entire business.

Within this system are collection strategies for different personal loan products, risk classifications and other factors. Customers and loans are managed in a stratified manner, and outstanding loans are either collected inhouse or outsourced based on management requirements and different risk performances. We have also established a personal loan collection management and training mechanism that provides online and offline training each year to staff in the personal loan business line. The training covers multiple areas, including management regulations, business processes, system functions and operational risk prevention and control.

Third party partner institutions are routinely checked to ensure they comply with business regulations, information security protocols and consumer rights protection. Training in these areas is also provided to these organisations. This ensures all collection operations are conducted in a legal and compliant manner, while promoting the healthy and orderly development of the personal loan businesses.

Customer Complaint Management

The Consumer Rights Protection Committee under CITIC Bank’s Board of Directors regularly reviews work summaries on how customer complaints are managed. Branches with high complaint volumes are required to conduct root cause analyses and are monitored for subsequent rectification. The Bank has also established management measures for resolving personal customer complaints and ensuring compliance with the regulations of the Office of China Banking and Insurance Regulatory Commission.

Customers can file complaints through various channels of the Bank, both online and offline. Upon receiving a complaint, the relevant department will promptly handle and follow up the matter. In 2022, CITIC Bank received 322,165 customer complaints, of which 36.3% were related to the debit card business and 63.7% to the credit card business. The overall customer complaint settlement rate for the year was 99.92%, while the overall number of complaints increased by 4.04% compared with the previous year. The most common complaints in the debit card business were related to account management and usage, personal loan repayment extensions due to the pandemic, removal of credit records and early repayment. In the credit card business, the main complaints were related to account collection, interest fees and account management.

In addition to developing a customer complaint reporting and handling system, CITIC Securities conducts regular customer satisfaction surveys. In 2022, the satisfaction rates for customers who opened accounts through mobile phones, made inquiries via telephone and used online consulting services all surpassed 99%. The overall satisfaction rate was 99.4%, showing client's recognition of the company.

CITIC Trust recently revised its system for managing complaints with a focus on improving the efficiency of the complaint-handling process. It has also established a consumer rights protection committee for coordinating complaint management work. Moreover, the Market Management Department created a position dedicated to managing and tracking all consumer complaints. Complaint channels are displayed prominently on the company's platforms, including wealth centres, official websites and mobile apps, so that customers understand the procedures for filing complaints.

Investors' Education

We provide financial education and awareness through a variety of channels to give investors a better understanding of financial products such as stocks, funds and bonds. The main focus of our financial education programmes is to raise investors' risk awareness and decision-making capabilities. We also target special groups, such as migrant workers, disabled people, the elderly and students, who have specific financial education needs.

CITIC Bank organised 10,340 public education and awareness activities that reached a total of 426 million consumers and generated over 95.97 million clicks for online events. As the exclusive strategic partner bank of the China National Committee on Ageing, CITIC Bank jointly published *Financial Knowledge for the Elderly and Mastering Smartphones – A Guide to a Happy Life for the Elderly*.

CITIC Securities published 36 articles on its WeChat public account, which received a total of 86,200 views. The company also produced 13 short videos in the *Understanding Listed Company Reports* series, which generated about 163,700 views, and organised 12 investment education live-streaming events that attracted around 80,000 viewers.

China Securities hosted 25 live-streaming "Cloud Visits", with a combined online and offline attendance of 54,991 person-times. It also hosted 5,603 public educational events on investment topics that reached more than 50 million people. A total of 2,805 online investment educational materials were released, attracting a readership of over 230 million. Another public welfare event, the College Student Debate on Investor Education, reached almost 15 million people on Weibo.

During the year, CITIC-Prudential Life Insurance launched a Consumer Education Express/Consumer Protection Column, a consumer education programme featuring a quarterly newsletter Consumer Protection News as well as a consumer protection training course. Other training programmes and promotions focused on compliance through a publication called Compliance Promotions.

Safeguarding Customer Information

Our information security management framework includes a data security management strategy covering the entire data lifecycle, from management architecture, data processing and application systems to terminal services. We also formed a committee responsible for digital information security, including customer personal information. Management measures introduced under this strategy provide clear guidelines for data processing, security and legal compliance related to customer information.

Our subsidiaries, including CITIC Securities, China Securities and CITIC-Prudential Life Insurance, have all obtained ISO 27001 international information security certification.

CITIC Bank has developed an electronic banking privacy policy for regulating the collection, storage and use of customers' personal information as well as the corresponding measures to be taken for safeguarding customer privacy. The Bank's rigorous approach includes the implementation of strict network controls and deployment of security devices to detect and respond to network security threats. Regular vulnerability scans are also conducted proactively to identify high-risk issues in its internal systems, hosts, networks, applications and user passwords. By making use of a range of monitoring and protection techniques, the Bank is able to monitor and respond to both internal and external attacks and address vulnerabilities in real-time.

CITIC Securities has updated over 90 strategy documents and assembled a dedicated cybersecurity risk assessment team, which conducts daily inspections of its data centre and computer rooms. The Company also has unified backup services in accordance with national-level protection requirements.

China Securities conducts special audits not less than once a year to ensure all information technology management matters are audited within a three-year period. On top of this, the company engages external professional institutions for conducting comprehensive audits of its data security every three years.

CITIC-Prudential Life Insurance regularly reviews and investigates application system permissions, strengthens the management of personnel authorisations, and standardises customer information inquiries and usage, thereby effectively safeguarding the security of customer information.



Community Engagement: How We Create a Better Future for All

At CITIC, we believe that giving back to society and promoting community prosperity are crucial social responsibilities. We have integrated ourselves into the community, in accordance with national policies, by assisting with rural revitalisation projects, participating in public welfare activities, supporting community development and providing volunteer services. Our goal is to promote high-quality social development according to our philosophy of contributing to people's prosperity.

In 2022, we followed government legal guidance on public welfare and our own external donation policies. We not only donated RMB107.0582 million to charitable causes but also organised 249 volunteer activities that involved around 12,000 employees providing 50,000 hours of community service.

Contributing to Rural Revitalisation and Common Prosperity

We offer our resources, including financial assistance, to promote community development. In collaboration with the local governments of Yuanyang County, Pingbian County, Qianjiang District and Xainza County, we invested a total of RMB6194.43 million in non-repayable funds and RMB832 million in repayable funds. Furthermore, we raised RMB1.8876 million in non-repayable funds and RMB231 million in repayable funds to support local businesses. Over the course of the year, we supported 49 community assistance projects with aid to the local populace. Our case study, *Promoting Consumption as a New Engine for Common Prosperity*, was selected as an excellent national example of empowering consumers in the rural revitalisation drive.

Driving Industrial Revitalisation

During the year, we invested RMB10.63 million in 11 projects aimed at industries that benefit the local population, including the farming and specialty breeding sectors. In addition to providing financial assistance, the projects also improve production and logistics in these industries.

In particular, we asked CITIC Bank to provide Qianjiang District with a credit line of RMB1.216 billion and RMB10.94 million in financing for agriculture-related small and micro-size businesses in Yuanyang County, which was experiencing financing difficulties as a result of the pandemic. We also launched 12 Insurance + Futures projects, for which we provided RMB3.13 million in risk compensation to 83 livestock farmers and secured the entire industry chain, from breeding costs to sales prices. Furthermore, we have advocated for CITIC Consumer Finance to implement the Dawn Plan, a convenient, efficient and inclusive financial service that caters to the needs of farmers.



Qianjiang District livestock farmer, Huang Kejun, is benefiting from our Insurance + Futures project for live pigs.



Our Insurance + Futures project is contributing to the development of the sugarcane industry in Yuanyang County.

Developing a Strong Talent Pool

In 2022, we invested RMB1.93 million in training programmes for grassroots managers, technical personnel and leaders of the rural revitalisation campaign. A total of 5,265 people attended these programmes.

In collaboration with CITIC Securities, China Securities and CITIC Futures, we organised training sessions on modern agricultural development models and Insurance + Futures projects. We also provided financial literacy education and medical service training to 255 local doctors. Our donations for this latter initiative included portable B-ultrasound machines, electrocardiograms and other medical supplies to help improve rural medical conditions.

Supporting Cultural Revitalisation

We invested RMB2.3 million during the year to build cultural walls and squares, create educational posters and support cultural literacy. In our Love Packages project with the China Rural Development Foundation, we donated art supplies worth RMB1 million to 10,000 rural elementary school students in Yuanyang County. We also joined CITIC Press to set up Dream Libraries in 20 schools and donated nearly 10,000 books to enrich the cultural lives of local residents.

Promoting Ecological Revitalisation

We invested RMB17.28 million for the construction of sewage pipelines, public toilets and garbage disposal stations, and installed 527 streetlights in local communities. We also established three rural revitalisation demonstration sites, which helped to improve the overall living environment and contributed to the development of a more liveable countryside.



CITIC Press's Dream Classroom takes root in Qianjiang District, Chongqing City.

Building a Better Society through Public Welfare

We are committed to supporting public welfare projects, including financial donations for education, sports and health facilities, assistance to disadvantaged groups, and improvements to community infrastructure. We also use our industry expertise to provide a range of public welfare activities that embody CITIC's distinctive qualities.

Advancing the Livelihoods of Hong Kong and Macau Residents

At CITIC, we support our employees in serving the local community through their participation in volunteer activities. In 2022, they took part in a variety of events, such as the Hong Kong SAR government's campaign of distributing anti-pandemic materials. Our volunteers also participated in the CITIC Cares: Community Warmth Programme of home visits to the elderly and underprivileged families. For Orbis World Sight Day 2022, we organised a fundraising event in support of their campaign to prevent blindness.



CITIC Metal employees in Hong Kong participate in the CITIC Cares: Community Warmth Programme.

Empowering Education through Public Donations

For the past 13 years, CITIC Bank's Love-Trust-Remit credit card public welfare platform has supported the improvement of education in underdeveloped rural areas of China. By the end of 2022, the platform had received credit card point donations from over 1.3 million users, allowing for the establishment of 200 Dream Centres in schools throughout the country. These centres feature multimedia classrooms and accompanying curricula that have benefited 160,000 teachers and students each year across 28 provinces and autonomous regions.



Achievement of CITIC Bank's "Love Trust Remit" credit card public welfare platform

CITIC Press has donated books to nearly 100 primary and secondary schools, as well as special needs reading groups, across China. Over 4,000 volumes have been donated to schools in remote, impoverished areas and special needs reading groups such as individuals with disabilities. Furthermore, CITIC Press has set up book stalls in hospital corridors, offering children and patient families a richer selection of books to choose from.

Caring for Children and Youth

Our headquarters organised two “One Piece of Paper, One Act of Love” public welfare events and donated the proceeds from recycled paper sales to the China Charity Federation. All these funds will be used to provide medical treatment for children with congenital heart disease from impoverished families in remote minority areas, such as Xinjiang and Tibet.



One Piece of Paper, One Act of Love public welfare event held by CITIC Limited.

Supporting Public Services

CITIC Offshore Helicopter (COHC) provides a wide range of government social and public management services, including maritime search and rescue and emergency response operations across the country. For 14 years in a row, CITIC Offshore Helicopter (COHC) has successfully completed flight missions in support of Antarctic scientific investigations. In 2022, the company played a crucial role in the rescue efforts for the China Eastern Airlines plane crash in Wuzhou, Guangxi Province, as well as the search and rescue of the Fujing 001 ship in Yangjiang. In addition, COHC proactively responded to the Luding earthquake relief efforts and provided strong support for the “9.5 Luding County earthquake relief” mission. COHC also collaborated with ground teams to conduct personnel rescue operations in the Lingshan Scenic Area.



CITIC Offshore Helicopter completes a mission for an Antarctic science project.

Promoting Community Development Through Collaboration



The Little Athletes sports promotion programme was supported by the CITIC Pacific Mining Community Assistance Fund.

One focus of our public welfare activities is promoting integrated urban-rural development across China, such as helping low-income farmers sell their peaches through online and offline channels to increase their earnings.

CITIC Pacific Mining has several management systems guiding its community responsibilities. These include community relations, external communication management, on-site mine visits, local procurement and participation in indigenous communities.

In support of community development, the company has produced an annual community relations and stakeholder work plan. In 2022, the CITIC Pacific Mining Community Assistance Fund helped to promote Chinese language in remote areas, children's sports programmes, male health initiatives, barista training programmes, youth gymnastics clubs and outdoor running events in the project area.

Protecting the Environment

Since 2016, CITIC Bank Shanghai Branch has been participating in the Wild Bird Environmental Conservation Volunteer programme. This programme was set up to monitor and protect wild birds, remove illegal bird nets and rescue trapped birds. By the end of 2022, the programme had conducted 151 patrols with the participation of 657 volunteers over 1,865 kilometres of forest. A total of 1,788 illegal bird nets were dismantled and 269 residual nets removed. The programme has also rescued and released 309 live birds, such as Chinese spotted doves, mountain spotted doves, pale thrushes, Siberian rubythroat, and Oriental scops owls (a national second-level protected species).

Overseas Public Welfare Projects

CITIC Agriculture is providing agricultural technology assistance to countries such as Ethiopia, The Gambia, the Philippines, Senegal and Dominica, primarily through experimental demonstrations, variety breeding and promotion of rice and vegetable technologies. These efforts have helped increase local agricultural production capacity and create new employment opportunities.

Spreading Love and Warmth Through Volunteer Service

We fulfil our corporate social responsibilities by helping our subsidiary companies establish volunteer service organisations. As a result, we now have a large youth volunteer organisation with over 30 teams and more than 12,500 volunteers. During the past year, our volunteer organisation has provided its services in over 20 cities and regions, including Beijing, Shanghai, Guangdong, Hebei and Fujian. Activities have included pandemic prevention and control, voluntary blood donations, caring for disadvantaged families, low-carbon development and environmental protection.



Voluntary service to protect clean coastal area



Voluntary blood donation service








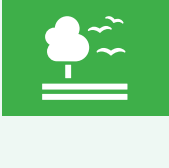


Voluntary service in communities



Voluntary service for children care in rural areas



ESG Index

HKEX Requirements on ESG Reporting		GRI Standards	UN SDGs	
Level	Content	No.	Corresponding Goals	Disclosure Chapter
A1 Emissions	General Disclosure Items	GRI: 103-2(c-i), 305, 306, 307-1		Green Development: Our Commitment to Building a Beautiful China
	A1.1	GRI: 305-1, 305-2, 305-4, 305-6, 305-7		Environmental Performance
	A1.2			
	A1.3	GRI: 360-2(a)		Special Report: "Dual Carbon" Strategy & Climate Change Risks Management
	A1.4	GRI: 360-2(b), 306-3		
	A1.5	GRI: 103-2, 305-5		Clean Technology & New Energy
	A1.6	GRI: 103-2, 306-2, 306-4		
A2 Resource Consumption	General Items	GRI: 103-2(c-i), 301, 302, 303		Green Production
	A2.1	GRI: 302-1, 302-3, 302-3		Green Building & Green Office
	A2.2	GRI: 303-1, 303-3, 303-4, 305-5		
	A2.3	GRI: 103-2, 302-4, 302-5		Environmental Performance
	A2.4	GRI: 103-2, 303-3, 303-4, 303-5		
	A2.5	GRI: 301-1		Clean Technology & New Energy
A3 Environment & Natural Resources	General Disclosure Items	GRI: 103-2(c-i), 301, 302, 303, 304, 305, 306		Green Production
	A3.1	GRI: 103-1, 103-2, 303-1, 303-2, 304-2, 306-3(c), 306-5		Green Building & Green Office
A4 Climate Change	General Items	GRI: 201-2		Environmental Performance
	A4.1	GRI: 201-2		Green Finance

HKEX Requirements on ESG Reporting		GRI Standards	UN SDGs	
Level	Content	No.	Corresponding Goals	Disclosure Chapter
B1 Employment	General Disclosure Items	GRI: 103-2(c-i), 202, 401, 405, 406, 419-1		Employee Development: Fostering Talent and Supporting Staff Growth
	B1.1	GRI: 102-8, 405-1(b)		Employee Status Statistics
	B1.2	GRI: 401-1		Employee Turnover Statistics
B2 Health & Safety	General Items	GRI: 103-2(c-i), 403, 419-1		Ensuring Safety and Creating a Healthy Working Environment
	B2.1	GRI: 403-9		Ensuring Safety and Creating a Healthy Working Environment
	B2.2	GRI: 403-9		Ensuring Safety and Creating a Healthy Working Environment
	B2.3	GRI: 103-2, 103-3(a-i), 403-1		Ensuring Safety and Creating a Healthy Working Environment
B3 Development & Training	General Disclosure Items	GRI: 103-2(c-i), 404-2(a)		Expanding Selection and Training Channels for Talent Development
	B3.1	GRI: 404-1		Employee Training Statistics
	B3.2	GRI: 404-1		Employee Training Statistics
B4 Labor Standards	General Disclosure Items	GRI: 103-2(c-i), 408, 409, 419-1		Fostering Inclusivity and Building a Fair Platform for Talent Growth
	B4.1	GRI: 103-2, 408, 409		Fostering Inclusivity and Building a Fair Platform for Talent Growth
	B4.2	GRI: 103-2, 408, 409		Fostering Inclusivity and Building a Fair Platform for Talent Growth
B5 Supply Chain Management	General Disclosure Items	GRI: 103-2(c-i), 204, 308, 414		Supplier Management
	B5.1	GRI: 102-9		Supplier Management
	B5.2	GRI: 103-2, 308-1, 308-2, 414-1, 414-2		Supplier Management
	B5.3	GRI: 308-2, 414-2		Supplier Management
	B5.4	GRI: 103-2, 308-1		Supplier Management

HKEX Requirements on ESG Reporting		GRI Standards	UN SDGs	
Level	Content	No.	Corresponding Goals	Disclosure Chapter
B6 Product Responsibility	General Disclosure Items	GRI: 103-2(c-i), 416-2, 417-2, 417-3, 418-1, 419-1		Strengthening Quality Control Customer Demand Management Safeguarding the Financial Rights & Interests of Consumers
	B6.1			Service Excellence: Our Commitment to Quality Products and Services
	B6.2	GRI: 102-43, 102-44, 103-2(c-vi), 418-1		Customer Complaint Management
	B6.3			Intellectual Property Management
	B6.4			Strengthening Quality Control
	B6.5	GRI: 103-2, 103-3(a-i), 418		Safeguarding the Security of Customer Information
B7 Anti-corruption	General Disclosure Items	GRI: 103-2(c-i), 205, 205-3, 419-1		Anti-corruption and Business Ethics
	B7.1	GRI: 205-3		Disciplinary Inspection & Supervision
	B7.2	GRI: 102-17, 103-2, 103-3(a-i), 205		Building a Comprehensive Supervision System Disciplinary Inspection & Supervision Audit Supervision Guard Against Integrity Risks Overseas Integrity Education Whistleblower Protection Employee Conduct Management
	B7.3	GRI: 205-2		Integrity Education



HKEX Requirements on ESG Reporting		GRI Standards	UN SDGs	
Level	Content	No.	Corresponding Goals	Disclosure Chapter
B8 Community Investment	General Items	GRI: 103-2(c-i), 413		Community Engagement: Our Responsibility to Create a Better Future for All
	B8.1	GRI: 203-1(a), 413-1		Contributing to Rural Revitalization and Advancing Common Prosperity Engaging in Public Welfare Undertakings and Building a Better Society Together Spreading Love and Warmth Through Volunteer Service
	B8.2	GRI: 201-1(a-ii), 413-1		Community Engagement: Our Responsibility to Create a Better Future for All
				Contributing to Rural Revitalization and Advancing Common Prosperity
				Engaging in Public Welfare Undertakings and Building a Better Society Together
				Spreading Love and Warmth Through Volunteer Service
				

Verification Statement



Independent Limited Assurance Report

To the Board of Directors of CITIC Limited:

We were engaged by the Board of Directors of CITIC Limited to perform limited assurance on the selected key data in the *2022 Environmental, Social and Governance Report* (the "ESG report") prepared by CITIC Limited. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.

I. Key data

This Report covers the limited assurance procedures performed on the following 2022 selected key data in the ESG Report:

- Number of volunteer activities (number)
- Total number of employees (persons)
- Proportion of female employees (%)
- Labor contract signing rate (%)
- Number of employee training programs (number)
- Electricity consumption per capita at headquarters (MWh/person)
- Water consumption per capita at headquarters (m³/person)
- Gasoline consumption per capita at headquarters (Liters/person)
- Green credit balance (RMB hundred million)
- Customer complaint settlement rate (%)

Our assurance work was limited to the 2022 selected key data as of 31 December 2022 and for the year then ended in the ESG Report. Other data disclosed in the ESG Report or data of 2021 and previous years was not included in our work scope.

II. Criteria

The criteria adopted by CITIC Limited for preparing the ESG Report are described in the basis of key data preparation (the "Basis of Preparation") attached hereto.

III. The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the key data in the 2022 ESG Report according to the basis of preparation, including designing, implementing, and maintaining internal controls relevant to the preparation of key data for the ESG Report to ensure that the data are free from material misstatement, whether due to fraud or error.



IV. Our independence and quality control

We comply with the independence and other ethical requirement of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which has been founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies the *International Standard on Quality Control No. 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

V. Auditors' responsibility

Our responsibility is to express a conclusion on the key data in the ESG Report based on our assurance 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*, which requires us to plan and conduct our work to form an assurance conclusion.

VI. Summary of work performed

The procedures performed in a limited assurance engagement vary in nature and timing from a reasonable assurance engagement, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on our judgment, including our assessment of risk of major discrepancy between the selected key data and the basis of preparation. We do not conduct our work to express an opinion on the effectiveness of CITIC Limited's internal controls.

Within our work scope, the assurance procedures were implemented at the Headquarters of CITIC Limited, China CITIC Bank Corporation Limited, and CITIC Securities Company Limited.

Our work mainly included:

- 1) Interviewing the related departments engaged to provide the selected key data for the ESG Report;
- 2) Implementing analytical procedures;
- 3) Carrying out sampling inspection on the selected key data in the ESG Report; and
- 4) Performing recalculation.

**VII. 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.

VIII. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2022 selected key data in the 2022 ESG Report of CITIC Limited is not prepared, in all material respects, in accordance with the Basis of Preparation.

IX. Restriction on use

This Report can only be used by the Board of Directors to prepare its ESG Report, and is not applicable and shall not be used for other purposes. We shall not be liable to any third party other than the Board of Directors of CITIC Limited.

KPMG Huazhen LLP

Beijing, China

18 April 2023

Appendix: Basis of Key Data Preparation

Number of volunteer activities (number): The term disclosed herein refers to the total number of volunteer activities undertaken by CITIC Limited's headquarters and subsidiaries during the reporting period.

Total number of employees (persons): The term disclosed herein refers to the total number of all formal employees in-service at CITIC Limited's headquarters and subsidiaries at the end of the reporting period, excluding dispatched employees.

Proportion of female employees (%): The term disclosed herein refers to the percentage of all formal female employees in-service over the total number of employees of CITIC Limited's headquarters and subsidiaries at the end of the reporting period.

Labor contract signing rate (%): The term disclosed herein refers to the percentage of formal employees in-service who have signed labor contracts with CITIC Limited's headquarters and subsidiaries as of the end of the reporting period.

Number of employee training programs (number): The term disclosed herein refers to the total number of training programs, including online and face-to-face training, carried out by CITIC Limited's headquarters during the reporting period.

Electricity consumption per capita at headquarters (MWh/person): The term disclosed herein refers to the average electricity consumption per formal employee in-service at CITIC's headquarters during the reporting period, which is the total electricity consumption of CITIC Limited's headquarters during the reporting period over the total number of formal employees in-service of CITIC Limited's headquarters at the end of the reporting period.

Water consumption per capita at headquarters (m³/person): The term disclosed herein refers to the average water consumption per formal employee in-service at CITIC Limited's headquarters during the reporting period, which is the total water consumption of CITIC Limited's headquarters during the reporting period over the total number of formal employees in-service of CITIC Limited's headquarters at the end of the reporting period.

Gasoline consumption per capita at headquarters (Liters/Person): The term disclosed herein refers to the average gasoline consumption per formal employee in-service at CITIC Limited's headquarters during the reporting period, which is the total gasoline consumption of CITIC Limited's headquarters during the reporting period over the total number of formal employees in-service of CITIC Limited's headquarters at the end of the reporting period.

Green credit balance (RMB hundred million): The term disclosed herein refers to the aggregate amount of the loans balance of CITIC Bank Co., Ltd. as of the end of the reporting period, for the investment made in energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, green services, offshore projects that adopt international practices or international standards, green trade financing, and green consumer financing fields.

Customer complaint settlement rate (%): The term disclosed herein refers to the proportion of the customer complaints settled by CITIC Bank Co., Ltd. to the total customer complaints during the reporting period.