

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

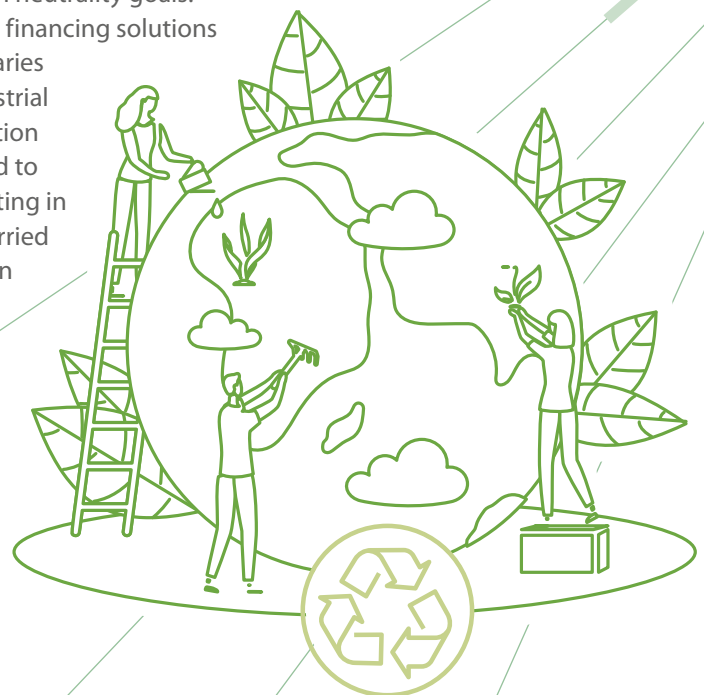
The year 2021 was a remarkable one for both CITIC and China, with solid progress made on delivering the 14th Five-Year Plan. We remained committed to the building of a better future as outlined in our 14th Five-Year Plan aligned with national strategies, with clear targets and a pathway set towards CITIC's ESG objectives.

With regard to corporate governance, the Board of Directors (the Board) and the management reviewed and approved the actions required to ensure our various decision-making bodies are well defined, regulated and efficient. Moreover, the Board strengthened its strategic oversight of ESG initiatives during Board sessions, communication meetings and management meetings. The aim of these sessions was to gain a consensus on the ESG work plan, review its progress, evaluate the Company's ESG reports and provide strategic advice and recommendations to management. The management of CITIC promotes ESG as a driving force for corporate development and has incorporated it into the Corporate Strategy, while encouraging all staff to put ESG into practice.

In 2021 we developed a systematic approach towards risk control at the organisational level, covering policy, process, technology and culture. This included establishing a clear and structured risk governance system with "four layers and three channels". Thirty-four risk management systems and procedures were then developed and reviewed with reference made to our risk profile. For our comprehensive financial services segment, we established a unified credit control mechanism covering key customers and concentration risk management. We also implemented a risk technology system with a unified view and data management function, which will lay a solid foundation for the digital transformation of risk management. Our culture of risk management and compliance is summarised in a new motto introduced during the year — "compliance is everyone's responsibility". The newly released *Comprehensive Risk Management Measures* incorporated descriptions of climate and environment risks and explores methods to include such risks into management.

To prevent and control pollution, we developed a "two increases, one decrease" low-carbon strategy to help us meet our carbon peaking and carbon neutrality goals. What's more, our financial services companies began providing financing solutions for low-carbon industrial transformation. Our industrial subsidiaries are also committed to reducing the carbon impacts of the industrial chain and ecosystem by promoting the low-carbon transformation of our existing high-carbon businesses; we have also committed to reducing high-environmental impact investments and disinvesting in high energy-consuming/high emissions projects. In 2021 we carried out a system-wide carbon emissions audit to identify our carbon footprint.

As innovation is critical to the future of the Company, we strengthened our commitment to science and technology under the 14th Five-Year Plan. We also identified the top 10 science and technology innovation projects and selected a first tier of technology leaders to create a culture of innovation.



CITIC Dicastal's Qinhuangdao aluminum wheels plant was named a "Lighthouse Factory" (a factory utilising advanced manufacturing and AI technology) — a first in the automotive wheels industry. CITIC Heavy Industries, CITIC Special Steel and CITIC Engineering participated in national research projects and made a number of breakthroughs in high-end manufacturing, including special materials and intelligent construction, that increase China's autonomy and control of technology related fields.

As a socially responsible company, we increased our capital investment in support of village revitalisation and made total donations of RMB120 million to community projects. During the Henan flood, CITIC Securities, China Securities and CITIC-Prudential Life contributed more than RMB30 million towards disaster relief in the province.

In September 2021, CITIC's ESG rating was upgraded from BB to BBB by MSCI — the second time in two years that CITIC's ESG rating has been upgraded, showcasing CITIC's growing brand influence and investment value.

Under the new vision, goals and strategies outlined in CITIC's 14th Five-Year Plan, we will continue striving to become a leading example of social responsibility in the years ahead.

Statement of the Board of Directors

The Board of Directors of CITIC adheres to the requirements of the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange and continues to improve the Company's ESG governance structure and system. We have also strengthened the Board's ESG oversight and involvement and promoted the integration of ESG principles into the Corporate Strategy, major decisions and business practices.

Role of the Board of Directors

The Board has ultimate responsibility for the ESG strategy and reporting of CITIC Limited. The Risk and Audit Management Committee continuously monitors CITIC's performance on key ESG issues and works with other special committees and functional departments to incorporate ESG into internal control, risk management and strategic planning. It also advises the Board on relevant ESG matters. In 2021, CITIC's Comprehensive Risk Management system attached great importance to ESG and its related risks and is trying to include climate, environment and social responsibility risks into the risk management system, with recommendations made to the management such as hiring external consultants to suggest improvements to the Company's ESG reports and practices. The Board also made recommendations on integrating ESG principles into the Company's operations and holding reverse investor roadshows.

ESG Management Approach

CITIC has identified the key ESG issues of concern to the Company's stakeholders through surveys and regular communication with them; an analysis of ESG issues material to these stakeholders has since been prepared. The Board discussed ESG risks and opportunities important to the Company's development, operations and management, as well as the concerns of stakeholders. This exercise has enabled us to clarify the focus of our ESG efforts, make improvements to our ESG strategies, policies and systems, and promote ESG as a strong driver for the Company's development.

Targets, Indicators and Progress Review

CITIC and its relevant subsidiaries have set annual or medium- to long-term targets for their key ESG performance indicators, including greenhouse gas emissions. The Board has reviewed these targets and will continue to review progress against the targets on a regular basis. In 2021 CITIC held training sessions for its management team and staff on climate change, ESG ratings in the capital market and ESG development trends.

About This Report

This is the eighth annual ESG Report issued by CITIC, which provides details of our ESG governance structure and progress made against our environmental, staff, customer, industrial and community targets in 2021. Unless otherwise specified, the scope of disclosure of the annual report applies to the ESG report. We take responsibility for the truthfulness, accuracy and completeness of the Report. To ensure the accuracy and credibility of our ESG performance indicators, we engaged PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited to perform a limited assurance engagement on selected key data in this Report and to issue an independent assurance report. The key performance indicators (KPIs) presented in this Report cover the period from 1 January 2021 to 31 December 31 2021, with some extending to 31 March 2022. This Report was approved by the Board on 31 March 2022.

Reporting Principles

This Report has been prepared in accordance with the principles of materiality, quantitative approach and consistency recommended by Hong Kong Exchanges and Clearing Limited.



Materiality

The Company covers the 12 major ESG issues that stakeholders have identified as most important through regular communications and surveys with government authorities, regulators, shareholders and investors, clients, suppliers and partners, industry trade unions and associations, NGOs and charity or community organizations, board of directors, management and staff. Among these, anticorruption, health and safety, resource utilization, career development and training are identified as important issues that internal stakeholders care about. Anticorruption, health and safety, product responsibility and employment standards are issues external stakeholders concern about. This ESG report will respond to these material issues for a better communication with stakeholders.



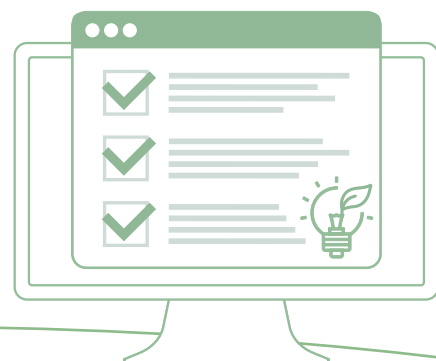
Quantitative approach

The Company discloses relevant KPIs supported by quantitative data. The statistical standards, methods, assumptions and/or calculation tools as well as conversion factors related to emissions/energy consumption are clearly disclosed. For more details, please read the Environmental Responsibility section.



Consistency

Unless otherwise stated, there have been no changes in the statistical methods employed or the key performance indicators covered in this Report, or any other relevant factors affecting meaningful comparisons.



Feature story: Contributing to a green and low-carbon future



On 22 September 2020 President Xi Jinping announced to the world that China will strive to peak its carbon emissions by 2030 and achieve carbon neutrality by 2060. This vision, which will bring about extensive and profound changes in China's economy and society, will contribute to the sustainable development of China and benefit the world at large.

In recent years, we have achieved remarkable results on our low-carbon transformation journey. **To promote green finance and financial transformation**, CITIC Bank has built up a green credit balance that by the end of 2021 stood at RMB205.425 billion, an increase of 122.80% from the year before; the Bank has committed to continue increasing the proportion of this balance in the years ahead. Currently, China Securities and CITIC Securities are among the top issuers of green bonds in the industry, with carbon neutral equity projects continuing to grow and advances made in carbon market trading and carbon financial innovation. **We have also integrated green, low-carbon changes in our global industrial chain.** CITIC Dicastal can now produce 650,000 tonnes of lightweight automotive components annually, saving 200 million litres in fuel consumption and reducing CO₂ emissions by more than 500,000 tonnes per year compared to traditional steel components. In steel production, CITIC Metals' investment in niobium resources has promoted the development of niobium-containing steels as well as the use of lightweight and low-carbon steels. **During the year, the Company continued to produce innovations in energy saving, emissions reduction and green low carbon technologies.** At CITIC Special Steel, metallurgical processes and plant efficiency have been improved through a three-pronged approach of reducing carbon emissions at source, enhancing process control and upgrading end-of-pipe management. As a result, carbon emissions intensity was lower than China's steel industry. CITIC Pacific Energy is promoting the green transformation of thermal power generation and accelerating the development of its clean energy business by improving plant efficiency, enhancing peak shaving and participating in the supporting services market.

As a state-owned enterprise and a conglomerate, CITIC is committed to carrying out the national strategy, including green and low-carbon transformation, in order to fulfil the 14th Five-Year Plan. We will also strive to become a pioneer among state-owned enterprises in contributing to our dual carbon objectives and to become an ESG role model in the capital market. On 10 May 2021 the CITIC Group organised a seminar, The Road to Peak Carbon and Carbon Neutrality, during which we announced we will achieve peak carbon by 2025 and carbon neutrality by 2050. This will involve a *two increases*, one decrease approach. The first *increase* is about providing more green financing solutions for the low-carbon transformation of industries. The second *increase* is based on reducing the carbon impact of the industrial chain and ecosystem. Finally, the *decrease* refers to the transformation of the Group's existing high-carbon businesses from high environmental impact investments to low-carbon investments. The new businesses we launch will be done with a view to minimising their impacts on the environment.



Our commitment is to become a low-carbon, energy-efficient enterprise in all our major business segments.



Comprehensive Financial Services Segment: Our objective is to become a leader in green finance and serve the green and low-carbon transformation of the economy. This will begin by growing our green finance business, increasing our market share in this business, developing a green finance business model that promotes financial transformation, and participating in the carbon trading and carbon finance market. To achieve these goals, we will capitalise on the internal synergies of the Group, particularly with regard to CITIC's advanced manufacturing and advanced materials businesses. We will also work towards higher industry standards in green finance and participate in the establishment of a green finance rating system by the People's Bank of China and other financial regulatory authorities.



Advanced Intelligent Manufacturing Segment: To enable low-carbon technologies to thrive, we are helping to establish a new energy vehicle industrial chain. This entails promoting green transportation to help society save energy and reduce emissions. It also involves the adoption of 5GtoB and making use of this technology to develop smart mines, specialised robots and digital equipment to improve production efficiency and reduce energy consumption. Together with our strategic investment platform, we will be aiming for breakthroughs in low-carbon energy-saving technologies.



Advanced Materials Segment: Our focus with this business is to safeguard the low-carbon industrial chain by ensuring an adequate supply of key resources for green energy transformation. This will be achieved through the modification of production processes to reduce emissions and increased use of clean energy and carbon capture and carbon storage technologies. We will also seek to increase our investments in copper, aluminum, lithium and other materials such as niobium, which play a significant role in reducing carbon emissions. It is estimated that niobium can reduce the weight of steel by 10%. Between 2001 and 2021, China produced 870 million tonnes of niobium-containing steel, which helped to reduce CO₂ emissions by 170 million tonnes.



New Consumption Segment: With the aim of promoting low-carbon consumption, we are promoting digital industrialisation and industrial digitalisation by adopting 5G technology in our businesses and advocating a green, low-carbon lifestyle.



New-type Urbanisation Segment: We believe low-carbon cities are the future, with construction and design at the outset and urban management — including industrial and domestic waste treatment — at the end. Our objective in this business is to participate in the construction of smart cities and smart transportation and to become an operator of green, low-carbon cities. With CITIC Environment as an investment platform, we will increase our investment in clean technologies.

The "14th Five-Year" period is critical for China to expedite the building of a greener and higher-quality economy. CITIC is committed to being a leader in this effort to transform itself as a green and low-carbon enterprise by leveraging on its portfolio synergies and by embarking on a green and clean development path. We aim to lead our peers in the market in carbon peaking and carbon neutralization so as to contribute to our national goals.







Environmental responsibility

Protecting the environment for a more beautiful China




We understand that protecting the environment is one of the key elements in helping to achieve peak carbon and carbon neutrality as well as our own sustainable development. In 2021, the first year of the 14th Five-Year Plan, we have integrated the concept of green development into our diversified portfolio by providing financial solutions for the low-carbon transformation of industry. The Company is committed to promoting low-carbon transformation through investing in clean energy and disinvesting in high-energy-consuming and high-emission projects.



Performance Summary

Unless otherwise stated, the statistical scope of environmental performance in this section includes the main operating sites of the headquarters and subsidiaries in Mainland China, Hong Kong, Macao and Taiwan. The operating sites in other regions will be added to the statistical scope in due course in the future.¹




Headquarters	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	0.01
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.001
	 GHG EMISSIONS	
	Total GHG emissions (Scope 1 and 2) (tonnes)	2,154.91
	GHG emissions per capita at headquarters (tonnes/person)	4.60
	Direct GHG emissions (Scope 1) (tonnes)	117.18
	Gasoline	117.18
	Indirect GHG emissions (Scope 2) (tonnes)	2,037.73
	Purchased electricity	2,037.73


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- (1) The Company's GHG accounting includes carbon dioxide, methane and nitrous oxide, which are mainly derived from purchased electricity, purchased steam and gasoline. The GHG accounting is presented in terms of carbon dioxide equivalents and is prepared based on the *China Regional Grid Average Carbon Dioxide Emission Factors for 2011 and 2012* published by the National Development and Reform Commission of the People's Republic of China, the latest emission factors published by the Hong Kong Electric Company Limited, the CLP Power Hong Kong Limited, the Macao Electricity Company Limited and the *2019 Refinement to the 2006 IPCC Guidelines for National GHG Inventories* published by the Intergovernmental Panel on Climate Change ("IPCC"). Considering the benchmarking emission factor for the Tibetan power grid is not found and the impact of the data on purchased electricity from the operating sites in Tibet is rather small and of lower significance, for the above reasons, the purchased electricity from the operating sites in Tibet is not included in the reporting scope of GHG emissions.
 - (2) The energy consumption is calculated based on the consumption of electricity, steam and gasoline and the relevant conversion factors provided in the National Standard of the People's Republic of China *General Rules for Calculating Comprehensive Energy Consumption (GB/T2589-2020)*.
 - (3) The reporting scope of the total water consumption includes the water used for offices and production. There is no issue in obtaining the applicable water sources.
 - (4) The total paper consumption mainly includes A4 and A3 size papers.

Headquarters	Indicator	Year 2021
	 WASTE	
	Total hazardous waste (tonnes)	0.24
	Hazardous waste produced per capita at headquarters (tonnes/person)	0.0005
	Total non-hazardous waste (tonnes)	235.97
	Hazardous waste produced per capita at headquarters (tonnes/person)	0.50
	 ENERGY USE	
	Total energy consumption (MWh)	2,783.03
	Energy consumption per capita at headquarters (MWh/person)	5.95
	Direct energy consumption (MWh)	478.68
	Gasoline	478.68
	Indirect energy consumption (MWh)	2,304.35
	Purchased electricity	2,304.35
	Electricity consumption per capita at headquarters (MWh/person)	4.92
	Gasoline consumption per capita at head-quarters (liters/person)	117.77
	 USE OF RESOURCES	
	Total water consumption (m ³)	22,667.00
	Water consumption per capita at headquarters (m ³ /person)	48.43
	Total paper consumption at headquarters (tonnes)	15.97

Comprehensive Financial Services ²	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tons)	0.59
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.04
	 GHG EMISSIONS	
	Total GHG emissions (Scope 1 and 2) (tonnes)	229,134.25
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	61.22
	Direct GHG emissions (Scope 1) (tonnes)	8,132.01
	Gasoline	4,725.72
	Diesel	39.49
	Coal gas	27.27
	Liquefied petroleum gas	104.62
	Natural gas	3,234.91
	Indirect GHG emissions (Scope 2) (tonnes)	221,002.24
	Purchased electricity	221,002.24

² In this section, the reporting scope of environmental data of CITIC Securities Co., Ltd. refers to the Company's headquarters, and the reporting scope of environmental data of China Securities Co., Ltd. refers to the Company's headquarters.


Comprehensive Financial Services ²	Indicator	Year 2021
	 WASTE	
	Total hazardous waste (tonnes)	408.06
	Total hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	0.11
	Total non-hazardous waste (tonnes)	1,911.40
	Total non-hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	0.51
	 ENERGY USE	
	Total energy consumption (MWh)	350,224.53
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	93.57
	Direct energy consumption (MWh)	36,673.37
	Gasoline	19,304.65
	Diesel	150.20
	Coal gas	203.09
	Liquefied petroleum gas	471.64
	Natural gas	16,543.79
	Indirect energy consumption (MWh)	313,551.16
	Purchased electricity	313,551.16
	 USE OF RESOURCES	
	Total water consumption (m ³)	2,750,646.44
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	734.87
	Total paper consumption (tonnes)	1,641.53



Advanced Intelligent Manufacturing	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	115.49
	Sulphur dioxide (SO ₂) emissions (tonnes)	25.71
	Particulate matter emissions (tonnes)	60.78
	Wastewater	
	Chemical oxygen demand (COD) emissions (tonnes)	51.30
	Ammonia nitrogen emissions (tonnes)	5.32
	Total phosphorus emissions (tonnes)	0.37
	Wastewater discharge (m ³)	563,014.02




Advanced Intelligent Manufacturing	Indicator	Year 2021
	 GHG EMISSIONS	
	Total GHG emissions (Scope 1 and 2) (tonnes)	763,696.34
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	1,922.89
	Direct GHG emissions (Scope 1) (tonnes)	250,649.70
	Gasoline	369.58
	Diesel	1,810.14
	Liquefied petroleum gas	681.98
	Natural gas	247,788.00
	Indirect GHG emissions (Scope 2) (tonnes)	513,046.64
	Purchased electricity	480,146.19
	Purchased steam	32,900.45
	 WASTE	
	Total hazardous waste (tonnes)	7,706.15
	Total hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	19.40
	Total non-hazardous waste (tonnes)	6,146.79
	Total non-hazardous waste per 100 million RMB of income (ton/100 million RMB)	15.48
	 ENERGY USE	
	Total energy consumption (MWh)	2,036,608.91
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	5,127.93
	Direct energy consumption (MWh)	1,278,692.15
	Gasoline	1,509.76
	Diesel	6,884.42
	Liquefied petroleum gas	3,074.53
	Natural gas	1,267,223.44
	Indirect GHG emissions (Scope 2) (tonnes)	757,916.76
	Purchased electricity	674,834.82
	Purchased steam	83,081.94
	 USE OF RESOURCES	
	Total water consumption (m ³)	2,026,730.67
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	5,103.06
	Total paper consumption (tonnes)	64.90
	Packaging Material	
	Total packaging material used for finished goods (tonnes)	93,715.21
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	235.96

Advanced Materials ³	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	8,094.49
	Sulphur dioxide (SO ₂) emissions (tonnes)	3,180.16
	Particulate matter emissions (tonnes)	5,430.43
	 WASTEWATER	
	Chemical oxygen demand (COD) Emissions (tonnes)	714.15
	Ammonia nitrogen emissions (tonnes)	75.37
	Total phosphorus emissions (tonnes)	1.12
	Wastewater discharge (m ³)	23,067,067.63
	 GHG EMISSIONS	
	Total GHG Emissions (Scope 1 and 2) (tonnes)	51,832,298.37
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	22,907.37
	Direct GHG emissions (Scope 1) (tonnes)	49,649,886.19
	Gasoline	1,541.78
	Diesel	6,675.68
	Coal gas	4,273.68
	Natural gas	445,815.68
	Coke	3,060,166.57
	Coal	44,900,134.98
	Intermediate process emissions	1,231,277.81
	Indirect GHG emissions (Scope 2) (tonnes)	3,719,198.24
	Purchased electricity	3,635,896.21
	Purchased steam	83,302.03
	Carbon sequestration products embodied emissions (deductions) (tonnes)	-1,536,786.06
	 WASTE	
	Total hazardous waste (tonnes)	67,909.60
	Total hazardous waste per 100 million RMB of income (ton/100 million RMB)	30.01
	Total non-hazardous waste (tonnes)	10,495,638.79
	Total non-hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	4,638.57
	 ENERGY USE	
	Total energy consumption (MWh)	160,057,635.60
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	70,737.74
	Direct energy consumption (MWh)	154,522,167.46

³ 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 ³	Indicator	Year 2021
	Gasoline	6,303.77
	Diesel	25,391.21
	Coal gas	31,813.30
	Liquefied petroleum gas	32,668.19
	Natural gas	2,239,154.12
	Coke	8,465,156.48
	Coal	143,754,348.57
	Indirect energy consumption (MWh)	5,535,468.14
	Purchased electricity	5,324,727.16
	Renewable electricity	382.32
	Purchased steam	210,358.66
	 USE OF RESOURCES	
	Total water consumption (m ³)	67,257,308.62
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	29,724.48
	Total paper consumption (tonnes)	100.03
	Packaging Material	
	Total packaging material used for finished goods (tonnes)	70,999.29
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	31.38

New Consumption	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	1.48
	Sulphur dioxide (SO ₂) emissions (tonnes)	0.02
	 GHG EMISSIONS	
	Total GHG emissions (Scope 1 and 2) (tonnes)	102,757.25
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	189.40
	Direct GHG emissions (Scope 1) (tonnes)	3,139.48
	Gasoline	2,133.65
	Diesel	964.88
	Coal gas	4.39
	Natural gas	36.56
	Indirect GHG emissions (Scope 2) (tonnes)	99,617.77
	Purchased electricity	99,617.77

New Consumption	Indicator	Year 2021
	 WASTE	
	Total hazardous waste (tonnes)	554.15
	Total hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	1.02
	Total non-hazardous waste (tonnes)	10,204.24
	Total non-hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	18.81
	 ENERGY USE	
	Total energy consumption (MWh)	193,881.68
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	357.35
	Direct energy consumption (MWh)	12,605.30
	Gasoline	8,715.98
	Diesel	3,669.69
	Coal gas	32.64
	Natural gas	186.99
	Indirect energy consumption (MWh)	181,276.38
	Purchased electricity	181,276.38
	 USE OF RESOURCES	
	Total water consumption (m ³)	1,520,326.38
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	2,802.18
	Total paper consumption (tonnes)	10,372.24
	Packaging Material	
	Total packaging material used for finished goods (tonnes)	4,652.30
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	8.57

New-type Urbanisation	Indicator	Year 2021
	 AIR EMISSIONS	
	Nitrogen oxide (NO _x) emissions (tonnes)	110.57
	Sulfur dioxide (SO ₂) emissions (tonnes)	62.40
	Particulate matter emissions (tonnes)	47.87
	 WASTEWATER	
	Chemical Oxygen Demand (COD) Emissions (tonnes)	10,185.63
	Ammonia nitrogen emissions (tonnes)	322.15
	Total phosphorus emissions (tonnes)	249.22
	Wastewater discharge (m ³)	486,270,819.75
	 GHG EMISSIONS	
	Total GHG Emissions (Scope 1 and 2) (tonnes)	393,782.85
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	849.23
	Direct GHG emissions (Scope 1) (tonnes)	17,025.42
	Gasoline	2,772.93
	Diesel	1,523.39
	Coal gas	4.64
	Liquefied petroleum gas	44.18
	Natural gas	12,680.28
	Indirect GHG emissions (Scope 2) (tonnes)	376,757.43
	Purchased electricity	376,757.43
	 WASTE	
	Total Hazardous Waste (tonnes)	34,829.55
	The total amount of hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	75.11
	Total non-hazardous waste (tonnes)	183,727.56
	Total non-hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	396.22
	Energy Use	
	Total energy consumption (MWh)	627,251.80
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	1,352.72
	Direct energy consumption (MWh)	82,203.74
	Gasoline	11,327.40
	Diesel	5,793.83
	Coal gas	34.53
	Liquefied petroleum gas	199.14

New-type Urbanisation	Indicator	Year 2021
	Natural gas	64,848.84
	Indirect energy consumption (MWh)	545,048.06
	Purchased electricity	541,373.79
	Renewable electricity	3,674.27
	USE OF RESOURCES	
	Total water consumption (m ³)	13,063,821.04
	Water consumption per 100 million RMB of income (m ³ /100 million RMB)	28,173.27
	Total paper consumption (tonnes)	134.71
	Packaging Material	
	Total packaging material used for finished goods (tonnes)	129.66
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	0.28

Environmental Management

We comply fully with all environmental laws and regulations in China, including the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, and the Law of the People’s Republic of China on the Promotion of a Circular Economy. CITIC Heavy Industries complies with relevant national laws and regulations and local environmental standards, such as the Regulations on Prevention and Control of Air Pollution in Henan Province and the Environmental/Occupational Health and Safety Management System Manual and Procedural Documents. CITIC Environment has developed a set of Hazardous Operations Management Regulations, a Special Equipment Management System, Chemical Management System, Emergency Response Plan for Environmental Emergencies and Waste Management System. All of these ensure the business is capable of providing systematic support for the continuous improvement of its environmental management processes. In Australia, CITIC Mining International complies with all local government environmental licensing requirements and monitors greenhouse gas emissions in accordance with the Australian National Greenhouse Gas and Energy Reporting Act 2007. Total project emissions are below the government-approved greenhouse gas emission baseline.



View of CITIC Mining International's energy-efficient gas combined cycle power plant

We are focusing on meeting our dual carbon goals and have developed measurable energy saving and emission reduction plans and targets.



Reduction targets

CITIC Bank

set up a catalogue of green suppliers of office supplies and prioritised green suppliers when purchasing office supplies. When buying or renting offices, all branch banks are required to prioritise green buildings. CITIC Bank chose professional companies to dispose solid waste, among which electronic wastes were delivered to and were disposed by suppliers with green credentials.

CITIC Securities

will gradually replace traditional power supply with clean energy. By 2030, Beijing headquarter of CITIC Securities will be 100% powered by clean energy; E-documents for meetings will be promoted and will realise paperless office.

CITIC Special Steel

according to the Opinions on Promoting the Implementation of Ultra-low Emissions in the Steel Industry issued by relevant ministries, CITIC Special Steel is also promoting ultra-low emissions in steel enterprises,. This initiative is also in accordance with the Guiding Opinions on Promoting High-Quality Development of the Steel Industry by the Ministry of Industry and Information Technology, the Development and Reform Commission and the Ministry of Ecology and Environment. Our goal is to complete the transformation of steel industries by the mid-term of the 14th Five-Year Plan. During the 14th Five-Year Plan period, major steel manufacturers will strive for total energy consumption of 535kgce/t, with energy consumption in major manufacturing processes targeted to reach benchmarked energy efficiency values.

CITIC Heavy Industries

developed a detailed water saving plan along with a steam injection pump retrofit project designed to save an estimated 203,292 m³ of water per year. This project is scheduled for completion in May 2022.




Green Production

In our production processes, we have implemented pollution prevention and control measures and developed environmental protection technology for more efficient consumption of resources and energy.

Reducing pollution with optimized treatment measures

We balance the development of the economy and environmental protection by adopting clean production measures, including the treatment of wastewater, exhaust gas, noise and solid waste, in accordance with circular economy concepts. All hazardous and non-hazardous waste were respectively delivered and properly treated by qualified professional suppliers and waste collection suppliers.



	Initiative	Achievements
CITIC Resources	Karazhanbas oil field uses microorganism and physical chemistry to treat soil contaminated by crude oil and tries to recover the ground.	3-year plan to complete waste treatment and recover soil surface ecology.
CITIC Heavy Industries	Modification of the mechanical pump vacuum completed. The steam pump was replaced with a mechanical version, and the energy source changed from steam to electricity. Power can be switched on or off at any time to avoid steam wastage. Replacement of the traditional furnace burner with a regenerative furnace was completed, which has improved heat utilisation and reduced gas consumption.	6,820 tonnes of standard coal saved, an estimated 18,760 tonnes of carbon dioxide reduced per year.
CITIC Pacific Energy	LD Group optimised and modified units to maintain smooth flue gas flow, and added a catalyst layer to Furnace No. 8. Modification and optimisation of ammonia injection adjustments are ongoing to give Phase III and IV units a short-term deep emissions reduction capability.	Nitrogen oxide emissions levels decreased compared with 2020; emissions intensity decreased by more than 30% during the emergency control period as compared with the norm.



Conservation of Resources and Energy

We continued to improve resource utilisation efficiency and reduce resources and energy wastage by strengthening our energy management, upgrading manufacturing equipment, eliminating outdated manufacturing capacity and introducing innovative new production technology.



	Initiative	Achievements
CITIC Mining International	Introduced advanced crushing technology that feeds materials between two metal rolls of the high-pressure mill; properties of the hard materials are utilised for efficient crushing and processing.	The addition of a high pressure grinding line will reduce total unit energy consumption per wet tonne of concentrate by approximately 7%.
CITIC Resources	Modification of the C Island natural gas utilisation project at the Yuandong Oilfield completed. By converting the C4 oil well into a gas well, natural gas production capacity was increased for the steam injection boiler; consumption of crude oil for the boiler's own use was also reduced.	The C4 well has a natural gas capacity of approximately 38,000 cubic metres per day, which saves approximately 33 tonnes of fuel oil per day by supplying it to the steam injection boiler.
CITIC Pacific Special Steel	Daye Special Steel launched a research project to improve energy use; special research projects to reduce consumption in furnaces and kilns and in refinement are under way. The upgrade of electro-hydraulic servo-hydraulic stations and energy-saving pumps has been proposed to reduce electricity consumption. Qingdao Special Steel has built a new coking process rising tube waste heat recovery/100MW ultra-high temperature sub-critical power generation unit.	Gas consumption per tonne of steel rolling process decreased by 7.3% compared with last year's target, reducing purchased electricity by 61 million kwh. 27,000 tonnes of standard coal saved.
CITIC Heavy Industries	An industrial wastewater treatment plant has been built with a biochemical filtration and disinfection process. The treated water will be reused for plant watering, production, dust control and other purposes.	Treatment of industrial wastewater is 220,053 tonnes per year; reuse of grey water is 186,270 tonnes, with a 99.59% grey water reuse rate.
CITIC Press	All books are packed with corrugated cardboard and unified trimmed size. Ceased to use brown papers before books are packed in cardboard box.	While keeping books intact, only 9 kinds of cardboard box are kept to minimized the packaging papers, leading the industry in terms of intensive production and purchasing cost.

CASE STUDY

CITIC Environment Creates A Model Circular Economy Industrial Park



The Chaonan Textile Printing and Dyeing Integrated Environmental Protection Treatment Centre built by CITIC Environment in Shantou, Guangdong, is an excellent example of the six-in-one circular economy concept of industrial development in practice. In 2021 the second phase of this wastewater project went into operation, bringing its total wastewater treatment capacity to 155,000 tonnes per day. Operations within the printing and dyeing park include industrial production, sewage treatment, water reuse, centralised water supply and combined heat and power, as well as solid waste disposal. This provides a replicable model for third party managers of environmental pollution in national circular economy industrial parks.

Developed by CITIC Environment the highly efficient MBR technology utilised allows the dyeing and printing wastewater to be treated up to discharge standards. This technology employs Ultra Filtration + Reverse Osmosis + EDI processes to recycle over 50% of the water used, saving 24 million tonnes of fresh water annually. The technology that has been developed for this plant solves many of the environmental problems faced by the printing and dyeing industry. What's more, the combined heat and power system generates around 600,000 kWh of clean electricity per day, which can be used to treat 75,000 tonnes of printing and dyeing sludge per year.



Chaonan Textile Printing and Dyeing Integrated Environmental Treatment Centre

In 2021 the Chaonan Textile Printing and Dyeing Integrated Environmental Treatment Centre provided environmental treatment services for 102 printing and dyeing enterprises in the park. In total, this amounts to a wastewater treatment capacity of over 20 million tonnes and green power generated from waste heat of more than 150 million kWh — an economic output equivalent to around RMB7 billion. The success of this printing and dyeing park contributed to the low-carbon green transformation of the local textile printing and dyeing industry.

CITIC Green Offices

We continued to improve our office system by digitalising the printing and transmission of all non-confidential documents, presentations and other information. We have also implemented a document printing system, which includes the collection and use of consumables such as printing paper and ink cartridges. In addition, signs have been posted in the office areas of our subsidiaries to remind their staff to use water and electricity wisely and to avoid wasting food.

In line with our approach to resource sharing, CITIC Pacific has begun using the Future Business Leaders Trainee Office as a pilot location, where staff and trainees can switch to a different workstation according to their preference. Stationery, printers and other office equipment are also shared to ensure equipment is not left idle and resources are consumed efficiently.

CASE
STUDY

Creating Green Buildings at CITIC HEYE



In 2021 CITIC HEYE (the developer and manager of CITIC Tower in Beijing) stepped up its efforts to conserve resources by adopting green technology measures that make this building more energy efficient and environmentally friendly.

Retrofitting the air-conditioning system for energy efficiency

CITIC HEYE identified energy saving opportunities in CITIC Tower's air-conditioning system to achieve a balance between energy saving and comfort. This has saved 4.073 million kWh of electricity per year and indirectly reduced carbon emissions by 2,459.9 tonnes.



Refining the lighting control strategy

For greater energy efficiency, we regularly communicate with our customers to refine our lighting control strategy by scenario, area and time of day, as well as overall usage requirements and energy saving needs. We subsequently adjusted the late-night lighting mode in the garage, lunch break lighting and overtime lighting in the office area, and inspection lighting mode in the lift lobby. This achieved an annual electricity saving of 1,895,000kWh and indirectly reduced carbon emissions by 1,144.7 tonnes.



Photovoltaic power generation system at CITIC Tower

Photovoltaic power generation system

The roof of CITIC Tower is equipped with a solar photovoltaic power generation system, comprising 640 CIGS of photovoltaic modules. The system covers an area of 890m², with a total capacity of 92.8kW and an annual power generation of 70,000kWh that reduces carbon emissions indirectly by 42.3 tonnes.

Energy recovery and reuse

All lifts are equipped with a system that recovers and utilises the energy generated during the operation of lifts. Electricity is generated when the traction machine moves up under light loads and down under heavy loads. This provides an overall energy saving rate of 35.91% throughout the year, with an annual energy return of 751,000kWh and an indirect reduction in carbon emissions of 453.6 tonnes.

Green Business

We are committed to putting green concepts into practice through the development of green finance and a green supply chain, as well as investing in new energy and other emerging low-carbon businesses as new growth drivers for the Company.

Green Finance

Our Comprehensive Financial Services business is in the process of developing a full range of green financial services. At CITIC Bank, we are supporting the transformation from fossil fuels to clean energy and increasing the proportion of our loans to clean energy projects that can achieve zero carbon emissions. Our financial businesses also focus on business

opportunities in areas such as new energy vehicles and energy-saving technologies. Financial support is further provided to companies that have started to reduce carbon emissions and are committed to peaking coal consumption as early as possible. Our financial businesses also support green technology innovation and clean production, as well as the green transformation of key industries.

CITIC Securities assists companies that are launching green financing projects. For the National Energy Group, Shenzhen Metro and Tiancheng Leasing in 2021, we were the underwriter of the first batch of carbon neutral green bonds, with a total issue size of RMB7 billion. We also acted as the lead underwriter for the completion of a carbon neutral green bond in the amount of RMB2 billion for the Three Gorges Group.

China Securities issued green corporate bonds for China Yangtze River Three Gorges Group, Yalong River Basin Hydropower Development Company Limited and China Railway Investment Company Limited. These bonds were for the construction of hydropower stations, green projects with reduced carbon emissions, and carbon neutral projects.

Environmental Business

Water Management

CITIC Environment invests in the construction and operation of water projects, including those utilising its advanced membrane materials. This business has a proven track record treating industrial wastewater, municipal wastewater and drinking water using a membrane bioreactor, continuous membrane filtration and reverse osmosis technology. In 2021, a total of 51 projects treating approximately 420 million tonnes of wastewater were completed.

Energy Saving Services

CITIC Energy Conservation Technology focuses on industrial energy conservation projects, including smart control systems, waste heat and pressure utilisation, waste gas recovery, and civil and municipal energy conservation. In 2021 it carried out a smart combustion control furnace system project for Daye Special Steel and Xingcheng Special Steel. This project helped save a total of 92,110,000 cubic metres of fuel consumption and 17,853 tonnes of carbon dioxide emissions, with a total fossil energy saving value of approximately RMB16,233,000.

Solid Waste Management

Chongqing Sanfeng Environment has invested in 51 waste incineration power generation projects with a design capacity of 55,800 tonnes per day. Its technology and equipment have been used in 218 waste incineration projects and 368 incineration lines in 8 countries and Macau, with a daily treatment capacity of over 200,000 tonnes of domestic waste. The company has treated more than 57.7 million tonnes of domestic waste, equivalent to a reduction in carbon dioxide emissions of about 15.11 million tonnes, and provided over 19.6 billion kWh of green electricity.

Responding to Climate Change

Recognising that climate change will have a significant impact on our customers, investments and operations, we have incorporated climate change-related risks into our overall risk management system. CITIC Limited issued Comprehensive Risk Management Measures and incorporated climate and environment risk into the watch list, which refers to financial loss or negative impact on company entailed by material changes in policy, law, technology, and market in the process of shifting to a low-carbon economy or by contingent weather conditions or long-term climate changes.

CITIC Bank follows closely with the Paris Agreement and its policy guidelines and realised the risks and opportunities for banking sector in the climate change issue. It has identified environment and social risks associated with energy consumption, pollution, and climate change.

CITIC Securities focuses on the impact of climate change (including physical and transformational risks) contributed by companies on the external environment. The investment banking business is focused on sustainable investments in the clean energy and innovation sectors, with strategic support provided to customers in their energy transformation efforts. The asset management business invests in ESG projects and sustainability-themed assets.

CITIC Resource's Yuedong Oilfield signed a marine environment forecasting agreement with National Marine Environmental Forecasting Center in response to material loss to offshore oilfields and their equipment incurred by extreme weather conditions. It reports twice daily to Tianshi Group about marine environment forecast (including, wind scale, wave, temperature and other marine climate data) for them to take precaution measures, including production suspension, equipment fastening and staff evacuation.



Staff Development Building a platform for rewarding and retaining our people

We strive to be a talent-centric company by respecting and supporting our people and focusing on human capital development. We are committed to cultivating outstanding talent and motivating them to think of innovative ways to contribute to the building of our century-long national brand.

Promoting Diversity

As of the end of 2021, CITIC had a total of 136,637 permanent employees, of whom 50.76% were under the age of 35. The proportion of female employees is 36.94%.

Employment Statistics

Indicator	As of December 31, 2021
Total number of employees ⁴	136,637
Total number of employees under the labor dispatch system	3,477
Male employees	86,164
Female employees	50,473
Number of employees aged 30 and under	33,930
Number of employees aged 31 to 35	35,424
Number of employees aged 36 to 40	24,222
Number of employees aged 41 to 45	13,760
Number of employees aged 46 to 50	12,690
Number of employees aged 51 to 55	9,309
Number of employees aged 56 and over	7,302
Number of employees in Mainland China	121,263
Number of employees in Hong Kong, Macao, and Taiwan	9,304
Number of employees in other countries and regions	6,070
Number of employees with a doctoral degree	486
Number of employees with a master's degree	21,339
Number of employees with a bachelor's degree	60,807
Number of employees with a college degree and below	54,005

4 Including formal incumbent contract employees at headquarters and subsidiaries, excluding dispatched labors.

Employee Turnover Rate

	Indicator	As of December 31, 2021
Headquarters	Turnover rate	2.07%
	Female employee turnover rate	2.5%
	Male employee turnover	1.58%
	Turnover rate for employees aged 30 and under	0.00%
	Turnover rate for employees aged 31 to 40	4.13%
	Turnover rate for employees aged 41 to 50	0.00%
	Turnover rate for employees aged 51 to 59	0.00%
	Turnover rate for employees aged 60 and above	0.00%
	Employee turnover rate in Mainland China	2.07%
	CITIC Bank	Turnover rates
Female employee turnover rate		4.46%
Male employee turnover		6.44%
Turnover rate for employees aged 30 and under		7.30%
Turnover rate for employees aged 31 to 40		5.12%
Turnover rate for employees aged 41 to 50		2.00%
Turnover rate for employees aged 51 to 59		4.75%
Turnover rate for employees aged 60 and above		0.00%
Employee turnover rate in the Eastern Region		5.74%
Employee turnover rate in the Central Region		4.57%
Employee turnover rate in the Western Region		4.65%
Employee turnover rate in the Northeast Region		4.59%
CITIC Securities		Turnover rate
	Female employee turnover rate	7.90%
	Male employee turnover rate	8.21%
	Turnover rate for employees aged 30 and under	10.20%
	Turnover rate employees aged 30 to 50	6.56%
	Turnover rate for employees age 50	4.35%
	Employee turnover rate in Mainland China	6.89%
	Employee turnover rate in Hong Kong, Macao, and Taiwan	18.90%
	Employee turnover rate in other countries and regions	20.04%
China Securities	Turnover rate	9.49%
	Female employee turnover rate	8.69%
	Male employee turnover rate	10.06%
	Turnover rate for employees aged 30 and under	12.51%
	Employee turnover rate in mainland China	9.13%

	Indicator	As of December 31, 2021
CITIC Resources	Turnover rate	4%
	Female employee turnover rate	6%
	Male employee turnover rate	3%
	Turnover rate for employees aged 30 and under	0%
	Turnover rate for employees aged 31 to 40	0%
	Turnover rate for employees aged 41 to 50	2%
	Turnover rate for employees aged 51 to 59	5%
	Turnover rate for employees aged 60 and above	1%
	Employee turnover rate in Mainland China	2%
	Employee turnover rate in Hong Kong, Macao, and Taiwan	7%
	CITIC Telecom International	Turnover rate
Female employee turnover rate		12.93%
Male employee turnover rate		16.54%
Turnover rate for employees aged 30 and under		23.55%
Turnover rate for employees aged 31 to 40		13.41%
Turnover rate for employees aged 41 to 50		11.56%
Turnover rate for employees aged 51 to 59		4.38%
Turnover rate for employees aged 60 and above		40.91%
Employee turnover rate in Mainland China		16.44%
Employee turnover rate in Hong Kong, Macao, and Taiwan		13%
Employee turnover rate in other countries and regions		26.34%

Incentives for Staff Development

Remuneration Policy

Our staff remuneration management measures at the Group and at our subsidiaries are constantly improved with regard to Labor Contract Law of the People's Republic of China and covers all staff. Salaries are adjusted according to the performance of individual employees and market rates in order to strike a balance between external competitiveness and internal fairness. To retain and reward staff, we provide medium- and long-term incentive plans and offer optional stock ownership plans for our core employees, as part of our philosophy of sharing benefits and risks.

Staff Benefits

We are continually improving our staff benefits schemes, insurance, working hours and leave arrangements. In the Mainland, we contribute to basic social insurance for all employees in strict accordance with Social Insurance Law of the People's Republic of China, our subsidiaries in the Mainland provide corporate pensions (supplementary pension insurance) and supplemental medical insurance to their employees with a total number of 148,000 as required by Enterprise Annuity Scheme. Contributions to the Mandatory Provident Fund are provided for all employees in Hong Kong, in accordance with the requirements of the Hong Kong SAR Government.

Talent Fostering

Talent Development Strategy

In our 14th Five-Year Plan for talent development, we have categorised our staff under four general teams: management, professional and technical, skilled personnel, and party building. We will also develop our staff in six key categories, including complex management, financial, scientific and technological, international, highly skilled and outstanding young talent.

Professional Qualifications

In 2021 we continued to assess senior management and deputy senior management classifications, with 53 employees receiving senior titles and 87 employees receiving deputy senior titles. A total of 79 employees were evaluated in the external assessment for senior and junior titles. We also recommended 10 employees for the National Major Talent Project, 5 employees for the Outstanding Talent and Outstanding Engineer Awards and 4 employees for the National Engineering Survey and Design Master Awards.

Training System



2021 Training Demonstration Course for New Employees

With the resurgence of COVID-19 during the year, we have formulated Employee Training Methods in line with relevant authority guidelines and adjusted our training modes and increased the proportion of online training. In total, we launched over 30 live online training courses in economics, finance and management for more than 70,000 online learners. We also organised live online training courses on legal, risk, compliance and finance topics and brought in external education service providers to enrich our training resources. More than 1,000 online courses have been launched on the Group's training platform, including courses on leadership, finance, artificial intelligence, marketing and operating our products. Over 40,000 participants joined these programmes. To build training synergy within the Group, we share educational resources with regard to instructors' training qualifications, training venues and learning outcomes. During the year, we organised the 24th and 25th training courses for the Group's young and middle-aged staff, as well as the Group's 2021 Training Demonstration Course for New Employees, to enhance the professionalism of our key staff and new employees.



Employee Training Statistics

	Indicator	As of December 31, 2021
Headquarters	Number of employee training programs	20
	Percentage of male employees participated in training (%)	90
	Percentage of female employees participated in training (%)	93
	Percentage of management participated in training (%)	100
	Percentage of non-management participated in training (%)	90
	Average training hours for male employees (hours/person)	98
	Average training hours for female employees (hours/person)	102
	Average training hour for management (hours/person)	138
	Average training hours for non-management (hours/person)	95
	CITIC Bank	Percentage of male employees participated in training (%)
Percentage of female employees participated in training (%)		100
Percentage of management participated in training (%)		100
Percentage of non-management participated in training (%)		100
Average training hours for male employees (hours/person)		80
Average training hours for female employees (hours/person)		89
Average training hour for management (hours/person)		37
Average training hours for non-management (hours/person)		88
CITIC Securities	Percentage of male employees participated in training (%)	100
	Percentage of female employees participated in training (%)	100
	Percentage of management participated in training (%)	100
	Percentage of non-management participated in training (%)	100
	Average training hours for male employees (hours/person)	68
	Average training hours for female employees (hours/person)	68
	Average training hour for management (hours/person)	45
	Average training hours for non-management (hours/person)	68
China Securities	Percentage of male employees participated in training (%)	90
	Percentage of female employees participated in training (%)	90
	Percentage of management participated in training (%)	93
	Percentage of non-management participated in training (%)	94
	Average training hours for male employees (hours/person)	45
	Average training hours for female employees (hours/person)	47
	Average training hour for management (hours/person)	40
	Average training hours for non-management (hours/person)	49

4 Including formal incumbent contract employees at headquarters and subsidiaries, excluding dispatched labors.

	Indicator	As of December 31, 2021
CITIC Resources	Percentage of male employees participated in training (%)	48
	Percentage of female employees participated in training (%)	19
	Percentage of management participated in training (%)	3
	Percentage of non-management participated in training (%)	63
	Average training hours for male employees (hours/person)	17
	Average training hours for female employees (hours/person)	1
	Average training hour for management (hours/person)	27
	Average training hours for non-management (hours/person)	17
CITIC Telecom International	Percentage of male employees participated in training (%)	73
	Percentage of female employees participated in training (%)	59
	Percentage of management participated in training (%)	77
	Percentage of non-management participated in training (%)	67
	Average training hours for male employees (hours/person)	15
	Average training hours for female employees (hours/person)	7
	Average training hour for management (hours/person)	12
	Average training hours for non-management (hours/person)	13

Care For Our Staff

Caring for All Staff

We fully comply with Labour Law of PRC, Labour Contract Law of PRC and regulations and policies related to the signing, altering, cancelling and termination of labour contracts. With labour contract signing rate of 100%, we strive to protect their rights and interests. We formulated Attendance Management Measures to clarify standard work hours, paid leave, sick leave and personal leave and to make sure our staff enjoy statutory holidays so that they could have a healthy work-life balance.

We are also committed to providing equal opportunities in our recruitment and career development practices as well as hiring staff without regard to race, gender, religion, ethnicity, nationality or physical disability. Child and forced labour are strictly prohibited in accordance with Provisions on the Prohibition of Using Child Labour with precautionary and accountability mechanism put in place. CITIC Bank signed a collective labour contract with female staff to protect their lawful interest and right.

Caring for Young Staff

For younger staff who may face challenges finding housing, we provide youth residences in Beijing and other cities. The youth residences in Beijing house over 600 young staff.

Caring for Retired Staff

During New Year's Day and the Spring Festival, we visited our retired staff to express the good wishes of the Group's leadership and staff. We also provided RMB148,000 to retired staff suffering from serious illnesses. In addition, we have a medical insurance system and arrange annual medical check-ups. During the pandemic, we distributed a total of 2,750 boxes of medicine and protective items, as well as timely information on pandemic prevention, especially to the elderly.

Staff Health and Safety

We comply fully with the Law of the People's Republic of China on Safe Production, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other occupational health-related laws and regulations. All safety responsibilities are assigned to staff at every level of the Company. CITIC Special Steel has a sound organisational structure for safety management. Safety Committees have been set up at CITIC Special Steel and its subsidiaries, which are responsible for implementing the Company's safety, production and management system. CITIC Heavy Industries has revised its safety management system and five safety systems, including the Safety Production Responsibility System and the Safety Production Assessment Regulations. CITIC Dicastal improved its five management systems, including those for dust control, grid management and production safety. CITIC Mining International has a comprehensive health and safety management system in accordance with the requirements of the Western Australian Mine Safety Inspections Act. The Safety Department of the Company enforces external and internal compliance and updates the safety management system every two years to align with the latest changes in safety legislation.

We are committed to enhancing our safety measures and conducting regular health checks for our employees. CITIC Special Steel has set up a safety team and standardised its safety construction procedures. It also organises regular safety activities such as the Summer 100 Days Safety Competition and Safety Month, as well as regular meetings on safety and production management. What's more, the Company identifies safety risks in its operations and at its sites, with control measures developed for each identified risk. CITIC Construction has established a three-level control system for its Business Department and Project Department to protect the health and safety of our overseas staff as well as the property and assets of our overseas project organisations. CITIC Dicastal regularly checks for occupational hazards at its production sites and organises annual occupational health check-ups for personnel in vulnerable positions. CITIC Mining International organises safety awareness activities, including a mental health awareness seminar, a pilot body scan programme.



CITIC Construction's Iraqi Missan Combined Cycle Power Plant Project conducts a high-altitude rescue emergency drill



Directors and Executives of CITIC Mining International attend compliance training on the Occupational Health and Safety Act

Employee Health and Safety Statistics







Indicator	As of December 31, 2021
Number of employee work-related fatalities	
—— Number of work-related fatalities in 2019 (person)	2
—— The number of work-related fatalities in 2020 (person)	2
—— The number of work-related fatalities in 2021 (person)	0
Rate of work-related fatalities	
—— Rate of work-related fatalities in 2019 (%)	0.0015
—— Rate of work-related fatalities in 2020 (%)	0.0015
—— Rate of work-related fatalities in 2021 (%)	0
Lost days due to work injury (days)	11,008.67



Customer Focused We pursue excellence in our products and services

We make full use of our comprehensive advantages as a conglomerate to meet market demand. To build a world-class technologically-driven company, we have been focusing on our customers, expanding our financing businesses, and developing innovative products and services.

Awards and Recognitions

	China Securities received the IFF2021 Global Green Finance Award.
	CITIC Dicastal's Aluminum Wheel No. 6 factory in Qinhuangdao was named a world-class Lighthouse Factory by the World Economic Forum in association with McKinsey & Company.
	CITIC Construction received the National Labour Day Award for the construction of the Chongli Prince Ice Town for the 2022 Beijing Winter Olympic Games.
	CITIC Engineering won first prize in the Digital Construction (Construction Industry) Emerging Group of the Third China Industrial Internet Competition for its BIM-based CITIC Intelligent Construction Platform.
	CITIC Heye was named a three-star green building.
	CITIC Press received the Advanced Publishing Unit Award in the Fifth China Publishing Government Awards.

Providing Quality Products and Services

To improve our products and services, we constantly listen to our customers' feedback and suggestions. As a result, we have been able to achieve excellence in our products and gain customer loyalty. In 2021, there were no cases of recalls concerning product and service quality or safety by CITIC or by its subsidiaries.

CITIC Construction Signature Projects

CITIC Construction completed a number of major projects for the Beijing Winter Olympic Games, including the Chongli Prince Ice Town. It also signed contracts for projects such as the Al Khairat Heavy Oil Power Plant and Yellow River Strategic Jinan International Eco-Port. Projects under way include the Belarusian Agro-industrial Complex, Kazakhstan TKU and KB Highways, Nanjing Science and Innovation Centre and Changjiang New Town.



The Chongli Prince Ice Town

Responding to Customer Feedback

CITIC Bank has strengthened the way it handles customer complaints by referring them to relevant departments for assessment, handling and a timely resolution. A digital system has also been launched to analyse and handle complaints in real time. The early warning monitoring capability of this system helps to uncover pain points associated with CITIC Bank's products and services. Data generated from the system will help business departments make better operational decisions and increase customer satisfaction levels. As of the end of 2021, a total number of 309,661 cases of complaints were handled and processed.

CITIC Securities receives customer feedback on its business and services through various channels and has set up a mechanism for identifying which departments and persons should handle complaints. Complaints handling results are incorporated into the compliance appraisal scheme with rewards and punishments put in place. As of the end of 2021, a total number of 228 cases of complaints were handled via 12386 CSRC hotline, regulator transferring, customer hotline or by channels of branch offices.

CITIC Press has a customer service team of over 40 staff handling customer complaints through feedback channels, including 400 hotlines and an online customer service platform. Its well-developed customer feedback handling process ensures complaints are resolved in a timely and effective manner.

Improvements to Customer Service

China Securities continued to improve its advisory platform, Uwen, which analyses client feedback and provides standard answers to staff in real time, thereby optimising the customer experience. In 2021 the number of enquiries on the Uwen platform reached 2.21 million, an increase of 65% year-on-year.

CITIC Press has a department dedicated to improving the user experience through research and service management. This has enabled it to optimise product quality and business processes and meet the needs of users.

Trademarks and Advertisements

We have developed Trademark Management Regulations to guide us on the use of our trademark resources in order to protect the CITIC brand and assets. The use of trademarks and the trademark licensing process are constantly reviewed to enhance the value of the brand and the Company. We also combat trademark infringements and protect the exclusive rights of registered trademarks for CITIC and its subsidiaries.

We established The Regulations on the Management of Overseas Placement of Advertisements, specifying the content, advertising channels, approval process and method of project execution to be used in the placement of overseas advertisements.

CITIC Bank formulated Intellectual Protection Measures and Advertising Management Measures to standardize the brand management to conduct daily monitor of copycat brand and to file for legal protection.

Product Quality Check and Recall Procedures

In accordance with international, national, industrial, safety standards, enterprise and product design, acceptance and technology standards, CITIC Heavy Industrial built a sound quality measurement system that checks, verifies and monitors the product whole process from raw material entry to product deliver to ensure quality; it offers product guarantee service, including free repair, replace and refund services under the conditions that products could not meet the quality standard or the requirements from agreements within guarantee period. In 2021, there were no major complaints or product recalls.

CITIC Press sends clear requirement before each printing order and invited professionals to monitor the process; adopts strict warehouse entry check with professional inspectors; each book has a contact number with printers should our customers find any flaws with the printing. In 2021, there were no recalls concerning product and service quality.

Increasing Our Investment in Science and Technology

As a technology-focused company, we put innovation at the forefront of our operations and scientific research. With the completion of our first series of expert assessments and major scientific research projects, we are gradually improving our technological standards.

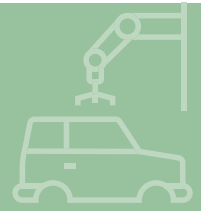
CITIC Bank has piloted a number of product lines, while maintaining its industry-leading position in blockchain technology.

At CITIC Heavy Industries, we continue to supply components to equipment of national importance. CITIC Telecom International built a research system for cloud-network integration, digital upgrades and industry applications, with the aim of becoming a global provider of intelligent digital communication solutions. CITIC Agriculture contributed to the country's farming industry in major national projects with LongPing Hi-Tech and LongPing Development. CITIC Construction was accredited as a national high-tech company, while CITIC Engineering carried out a major BIM project that has digitalised the entire engineering construction process.

On 13 January 2022, the Company held the first Science and Technology Innovation Conference and announced the first batch of the Group's top ten science and technology innovation projects. These included the Financial Full Stack Cloud Construction and Key Equipment for Auto Manufacturing Reform projects.

CASE STUDY

CITIC Dicastal: A World-class “Lighthouse Factory”



On 27 September 2021, CITIC Dicastal’s Aluminum Wheel No. 6 Production Line in Qinhuangdao was recognised as a world-class “Lighthouse Factory” by the World Economic Forum in association with McKinsey & Company. A Lighthouse Factory is one that makes use of Fourth Industrial Revolution technology in the process of digital transformation to improve the overall efficiency of the industrial chain and achieve sustainable development. This not only creates a new competitive advantage, but also serves as an important model for the transformation of manufacturing.

At CITIC Dicastal, the key processes in its Aluminum Wheel No. 6 Production Line include high-tech solutions such as big data, AI deep learning and 5G technology, which help to optimise production and achieve a high degree of automation and smart production. Other improvements are a reduced dependency on personnel, accelerated mass production, better product quality and fewer raw material losses. As a result, overall production costs have fallen by 33%, equipment efficiency has increased by 21.4%, the product defect rate has decreased by 20.9%, delivery times have shortened by 37.9%, and energy usage efficiency has improved by 39%.



CITIC Dicastal’s production line 6.

The key core technologies in the production line, which are controlled autonomously, and the overall digitalisation and technology are 5 to 10 years ahead of the production line’s global counterparts. Furthermore, the design and construction technology used are replicable and scalable, and CITIC Dicastal is now gradually transforming all of its production lines with the intelligent solutions it has implemented.

Protecting the Legal Rights of Our Customers

We provide quality products and services to our customers, while also protecting their rights and interests in strict accordance with Law of the PRC on the Protection of the Rights and Interests of Consumers, Personal Information Protection Law of the PRC, Data Security Law of the PRC.

Protecting Customer Information Security and Privacy

CITIC Bank has formulated *Customer Information Protection Management Measures (Trial)* and protects customer information, including sensitive information such as personal data, asset records and account balances. It has also strengthened its preventive and control measures at network boundaries and critical nodes, and installed multi-layer network security facilities, while tightening control over employees’ working computers to prevent illegal access and data transfer. Based on the principles of “business needs” and “minimum access”, the Company sets user permissions for application systems and data management. Sensitive data scanning and information security risk checks will continue to improve the effectiveness of its customer protection measures.

CITIC Securities has clarified its organisational structure and division of functions for data security management. The Company ensures information security by establishing a sound data lifecycle management mechanism and integrating data security management into all data processing activities. In addition, data security and compliance requirements are embedded in the system and business processes to ensure the use of data is in line with its security management level and internal control capabilities. The Company has also standardised the protection of customer information by developing an authorisation form for personal information and updating the privacy protection clause to protect customer information.

Protecting Customers' Right to Information

CITIC Securities has improved its management system and code of conduct. It has also revised policies such as the *Operational Guidelines for Professional Investor Accreditation* and the *Wealth Management Committee Implementation Rules for Investor Appropriateness Management*. This has increased the number of risk assessments and risk alert notices for customers with inappropriate risk levels within a short period of time. In addition, the Company adjusted its rating of investors, products and services in order to recommend suitable products.

Promoting Industry Knowledge

CITIC Bank and the Shanghai International Banking and Finance Institute of the Shanghai University of Finance and Economics organised the 6th National University Student Financial Innovation Competition 2021. Nearly 2,000 students and teachers from over 200 universities across China met on the cloud for the competition. A Digital Finance Business Capability Contest and Internet Finance Innovation and Operation Management Contest were held enabling universities and students to exchange ideas and showcase their talents. Since its inception, CITIC Wealth has been cultivating the concept of responsible investment and enriching investor education through multiple channels, both online and offline. In future, CITIC Wealth will continue to fulfil the national policy of common prosperity and financial inclusion. It will also continue to partner with universities and colleges to promote financial education.

CITIC Securities launched a special investor education campaign focusing on the reform of the New Third Board and establishment of the Beijing Stock Exchange. Topics covered included issuance and trading, information disclosure, corporate governance and regulatory compliance. Over 10,000 copies of the *Selected Business Rules of the Beijing Stock Exchange* were printed, and over 30,000 copies of the *System and Rules of the Beijing Stock Exchange* and *Rules for the Administration of Trading and Investor Appropriateness of the Beijing Stock Exchange (for trial use)* were distributed. The campaign organised 111 online and offline events and reached a total of 8,146 investors.

In addition to regular monthly educational campaigns, CITIC-Prudential Life organised promotions on the prevention of illegal fund raising, telephone fraud, elderly scams and the application of smart technology for important educational events.

Protection for Whistleblowers

CITIC Bank Issued a Notice on Regulating Inquiring and Using of Personal Information in Handling Complaints and reiterated the importance of compliance with relevant laws in protecting personal information and safeguarding customers' rightful interests while timely respond to complaints.

Customer Protection Training

CITIC Bank organised customer protection trainings with 54,000 staff attendees to improve clients protection awareness and enhance service quality in the business process.









Industry Development

We are working with stakeholders to promote the development of industry

We seek to deepen collaboration among government and businesses by promoting strong alliances and expanding the industry's "circle of friends" to achieve mutual benefit. We comply fully with the Anti-Unfair Competition Law of the People's Republic of China in support of the industry's healthy development.

Awards and Recognitions

	CITIC Bank was ranked 16th in the Top 500 Global Banking Brands list published by <i>The Banker magazine</i> .
	CITIC Trust received the Best Overall Trust Company Award by <i>Financial Magazine</i> .
	CITIC Heavy Industry's innovative case, Digital Construction Based on the Industrial Internet, was selected as one of the National Innovative Cases of Intelligent Enterprise Construction in 2021.
	The third waste-to-energy project in Chongqing built by Sanfeng Environment, a subsidiary of CITIC Environment, won the National Quality Engineering Award.
	CITIC Telecom International's DataHOUSE™ AR Clairvoyance Service won the Excellence in Innovation Award at the Data Cloud Global Awards.
	Longping Hi-Tech, a subsidiary of CITIC Agriculture, was nominated for the China Quality Award.

Partnering for Mutual Benefit

We attach great importance to our relationship with the government and our industry partners. We are also committed to making positive contributions to the local economy and social development, as well as to the development of industry.

In 2021 the Group's senior management held meetings with its partners and visited Sichuan, Guangdong, Qinghai and Hunan provinces to sign strategic cooperation agreements with nine provincial and municipal governments and 13 companies. Additionally, we met with our overseas counterparts to seek partnership opportunities in various areas, such as financial services, high-end manufacturing, medical care and elderly care, as well as modern agriculture. We also continued to strengthen cooperation with external think tanks and have connected with domestic and international consultancies, universities and research institutes in order to carry out in-depth cooperation in education, research and development, and the alignment of innovative projects with industry.

Promoting the Healthy Development of Industry

In addition to fulfilling our social responsibilities, we manage the upstream and downstream ends of our supply chain and work with industry associations to promote our management, brands and technology. Additionally, we combat piracy and copyright infringement to protect intellectual property and encourage innovation.

Strengthening Supply Chain Management

In accordance with Law of the PRC on Tenders and Bids and relevant regulations, we formulated Group's Purchasing Management Measure. In the process of working with our suppliers, we and our subsidiaries have embedded social responsibility principles into our corporate tendering and procurement policies, contract terms and assessment indicators. Our aim is to work together with our partners to build a fairer, more responsible industry ecosystem. As of the end of 2021, the headquarter of CITIC accredited 94 suppliers, among which 80 are domestic and 14 are overseas, taking up 85.11% and 14.89% respectively.

CITIC Limited upholds the principle of strict access, quantifiable rating, dynamic adjustment and mutually beneficial partnership in finding, introduction, selection, assessment and termination of suppliers; centralised the establishment, renewal, use and management of suppliers database and supervise the agency companies to comply with relevant regulations; set up a blacklist of suppliers with misconducts, including bribery, malicious bidding, falsification or being penalized or delicensed by regulators for their violations of laws.

CITIC Bank requires suppliers to provide ESG related content in their application files and invited consulting firm to review 521 suppliers to identify their environmental and social responsibility related risks, including compliance, social responsibility, material change and legal risk. Review feedbacks are in turn incorporated in supplier's assessment to encourage them delivering their ESG commitment.

CITIC Securities set up assessment system to conduct regular review of its suppliers in terms of product quality, service, sustainability, reputation and agreement delivery capacity to select the premium ones; built a termination mechanism to optimize the suppliers pool; uphold and advocate the principle of integrity and honesty to guard against any bribery and bidding collusion.

China Securities embedded ESG concept in the whole process of purchasing and encourages its suppliers to improve their ESG performance and conducts due diligence via public source or by third party to follow its suppliers' recent public opinion to fend off potential risks; requires new suppliers signing a Commitment Letter to reinforce their commitment to fighting against forced labour and to environment protection.

CITIC Dicastal manages its suppliers in accordance with its supplier approval procedures. Monthly performance assessments are conducted on first-tier suppliers based on quality, cost, delivery and service. The Company selects the best and eliminates the worst according to their performance reviews.

CITIC Special Steel regularly visits suppliers and communicates its philosophy to promote mutual growth and progress. The Company monitors and evaluates the compliance of its suppliers through on-site assessments and recommends timely preventive and improvement measures against potential risks. Suppliers who fail to meet the safety, quality, environmental and social responsibility requirements will be suspended or terminated.

Promoting Industry Excellence

We explore business and management models to provide reliable guidance for the development of the industry. We also participate in major national projects, discuss industry issues and set standards through our participation in industry forums and exchange activities. Our objective is to protect intellectual property rights and create a fair and equal industry environment.

- Promoting Business and Technological Progress

CITIC Engineering participated in the establishment of the Wuhan Design Capital Promotion Centre – Digital Construction Industry Alliance, which promotes the BIM achievements of the Ministry of Industry and Information Technology of China. Alliance members work together to build a framework for the development of the service industry and to create an autonomous BIM ecosystem. The Company takes advantage of its upstream and downstream resources, as well as the scale of construction in China, to bring more enterprises into pilot tests. This enables companies to digitalise rapidly, gather intelligence for pre-project planning, procurement and subcontracting, and learn best practices in construction and installation, completion and delivery, and post-operations.

Longping Hi-Tech, a subsidiary of CITIC Agriculture, participated in the first Yuelu Farming Summit during the year. At this event, we worked with several government organisations, such as the China Rural Technology Development Centre of the Ministry of Science and Technology, to discuss the implementation of the National Agricultural Revitalisation Initiative. The objective of the Summit is to accelerate the implementation of the government's agricultural strategy and promote the development of the modern farming industry.

- Protecting Intellectual Property Rights

We developed the Intellectual Property Rights Management Regulations in accordance with the Civil Code, the Trademark Law, the Copyright Law, the Patent Law and other related laws and regulations, to protect patents, trademarks, processes, technical know-how and logos.

CITIC Press has stepped up its efforts to combat copyright infringement and piracy by participating in the activities of organisations such as the Beijing Copyright 15 – Anti-Piracy Alliance. An evaluation report on suspected pirated books purchased by readers was also published. We will collect evidence, obtain notarisations and initiate legal proceedings against infringing shops and pursue criminal liability charges in cases involving 3,000 or more copies of pirated or copyright infringing books. In 2021 more than 150 books were found to be pirated. Two criminal cases were filed, and more than 20 suspects detained for copyright infringement and piracy. Thirteen shops were charged, and US\$10 million seized. Six warehouses were investigated, and more than 24,000 copies of infringing or pirated books worth RMB1.45 million were seized.

When counterfeit auto parts were detected in the market, CITIC Dicastal worked with the Public Security Bureau to confiscate the products and shut down the infringing businesses, while recovering financial losses for consumers. While we are committed to defending our rights, we also give small businesses an opportunity to avoid being held responsible for minor infringements. We not only encourage entrepreneurship and innovation but also work to protect intellectual property rights through a combination of punishment and education.

CITIC Pacific Special Steel has developed a Patent Management System, Intangible Assets Management System, Patent Incentive System and Trademark Management Regulations. It also provides training in intellectual property rights to protect the Company's innovations.

Anti-corruption

Anti-corruption is a top priority for the Group and an integral part of our internal risk management. In addition to fully complying with the Anti-Corruption Law of the People's Republic of China, we have adopted a multi-pronged approach to combat corruption in the industry. CITIC Securities revised its Regulations on the Integrity of CITIC Securities Company Limited in accordance with the Implementation Rules for the Integrity of Securities Operators and their Personnel of the China Securities Association and the Code of Ethics for Securities Practitioners. It also developed the Implementation Rules for Anti-Money Laundering Customer Identification and Risk Management, Large Transaction and Suspicious Transaction Reporting and Business Money Laundering Risk Assessment, in accordance with the Anti-Money Laundering Law of the People's Republic of China. China Securities developed the Rules on the Integrity of China Securities and its Personnel in Practice, while CITIC-Prudential Life developed an Anti-Commercial Bribery System and Anti-Money Laundering Management Policy as well as other internal control systems to create an ethical industry environment.

We continued to improve the functions and staffing of the disciplinary and inspection bodies of the Company and its major companies during the year. We also exchanged views with the disciplinary committee secretaries of nine subsidiary companies to improve our disciplinary work. We are committed to standardising our disciplinary work, increasing training for our staff and safeguarding our brand image of integrity and honesty. In addition, we have established a comprehensive risk management system and made significant efforts in the areas of system building and anti-money laundering.

We attach great importance to anti-corruption training for our directors and staff and circulated notice about cases of violating laws and regulations and dereliction of duty and negligence of responsibility. By learning from these cases, we formulated correction measures. Our subsidiaries organised seminars to learn and reflect from these cases to improve accountability, to guard against power abuse and to enhance supervision.

- **Creating an Ethical Workplace**

CITIC Securities provided a series of online courses on integrity in its induction training for new staff, as well as compliance officer training and refresher training for staff and a full coverage training of anti-corruption with a total number of 21,200 staff attending. A designated hotline and email address were set up for reporting ethical concerns. Upon receipt of a report, verification and handling work will be carried out in a timely manner, with confidentiality for whistle blowers strictly enforced.

China Securities is committed to improving its risk management system and monitors the integrity of its practices through audits, compliance inspections and internal inspections organised 146 trainings for integrity of practices, with a total number of 88,500 staff attending. A complaint and reporting mechanism has also been established to encourage employees, suppliers and other stakeholders to report any irregularities.

CITIC Bank implemented zero-tolerance policy to corruption to forestall any new case; organised 4 all hands meetings to notify and to warn against corruption; organised 4 rounds of anticorruption trainings to raise our staff's awareness and to uphold honesty, with a total number of 10,000 staff and 8 board directors attending.

- **Strengthening Compliance Management**

CITIC Bank implemented a comprehensive clean-up of its rules and regulations, prohibiting 675 items of branch rules and regulations. The Bank instructed branches to review their existing rules and regulations on a case-by-case basis. A clean-up plan was also implemented to remove and amend 2,931 rules and 534 regulations.

CITIC Securities launched a special project to strengthen its management. The Company also reviewed the business and functions of each department through a self-examination-review-correction process to improve business systems and operational procedures. Over 1,000 systems and operational guidelines were reviewed and streamlined, enhancing its internal control management and compliance capabilities.

- **Anti-money laundering**

CITIC Bank followed up on new regulatory requirements by strengthening its internal control. The Company has progressively improved its anti-money laundering system of the top-level system+ specialised system + line system. A database of internal and external anti-money laundering regulations was developed with four major anti-money laundering systems revised and three new specialised anti-money laundering systems added.

CITIC Securities released the Anti-Money Laundering Enhanced Due Diligence Workbook for High Risk Customers to refine the due diligence requirements for high-risk customers. Our business departments are required to conduct comprehensive investigations, including identity verification, source of funds and transaction analysis, when conducting due diligence on high-risk customers.

China Securities incorporates its anti-money laundering responsibilities into its staff performance appraisals. Departments and branches with unsatisfactory performance will be penalised, which in turn will affect salary adjustments.

- **Protection of the legal rights of the informers**

Supervisory bodies at all levels in the Company, acting in strict accordance with Rules for Handling Reports and Accusations at Inspection Organizations, should keep confidential the informers' name, address, phone number and personal information of their relatives; should not copy or excerpt the content from the report and must not pass the report to the department or to the person accused.



Community Service Our social mission for a better future

We have received strong support from the government and the general public for our business in many countries and regions. With the active participation of our volunteer teams, we consider it our social responsibility to give back to the communities we serve and promote prosperity. We also follow the provisions of the Law of the People’s Republic of China on Public Welfare Donations and other national laws and regulations to manage our external donations. In 2021 CITIC and its subsidiaries contributed approximately RMB120 million, organised 440 volunteering activities and engaged 20,000 volunteers with a total volunteering hours of 38,000 to local communities.

Awards and Recognitions

	CITIC Trust received the Outstanding Contribution Award from the Beijing Chaoyang District Red Cross Society for its donation to combat COVID-19.
	CITIC Pacific was named a Caring Company by the Hong Kong Council of Social Service and received the The Community Chest Award for Outstanding Service.
	CITIC Telecom International was awarded the Sports Friendly corporate logo by the Chinese YMCA of Hong Kong.

Revitalising Rural Villages

In 2021 we kicked off our campaign to promote village revitalisation. For this campaign, we invested more than RMB78.00 million to the Pingbian County and Chongqing Qianjiang District in Yunnan and Shenza County, Tibet.

Focus on the “Five Revitalisations”

Our “five major revitalisations” mission focuses on industry, talent, culture, ecology and organisation.

To provide more employment opportunities, we supported projects such as the cultivation of yanghe (wild) ginger and photovoltaic power generation. We also guided CITIC Agriculture’s Huazhi Bio project to protect the genetic superiority of red rice seeds. Due to this project, over 150 varieties of seeds have been developed for the terraced red rice industry.

Village construction was supported with an investment of RMB5.5 million in four village committees in Yuanyang and Pingbian counties to implement village revitalisation demonstration projects. These projects involved the construction of sewerage pipes, sewage treatment ponds, public toilets, roads and village history halls, as well as the installation of solar-powered streetlights for more than 2,000 people.

Additionally, over RMB9.9 million was invested to renovate industrial roads, build safe drinking water infrastructure and provide CITIC scholarships.

An Innovative Assistance Model

The sugar cane industry is one of the leading industries in Yuanyang County, which is a major source of wealth for the people living there. Due to the recent decline in sugar prices, sugar cane farmers have suffered, and sugar cane had to be purchased from overseas sources. To support local farmers, CITIC Securities and CITIC Futures joined Pacific Property Insurance to launch a sugar insurance + future price project in Yuanyang County. The project benefited 1,457 cane farmers, allowing 645 households to be lifted out of poverty and providing strong support for the development of a sustainable sugar industry in the area.

Another project was undertaken by Longping Hi-Tech, a subsidiary of CITIC Agriculture, which assisted the Ministry of Agriculture and Rural Development in developing the YUNSHANGZHINONG App, currently providing 8,006 online courses for over 6 million users. For better utilisation of this app by users in rural areas and by local officials, we accordingly developed CITIC Rural Revitalisation Online Courses app and promoted these apps together with Yuanyang County for local villagers to improve their farming skills by learning agrotechnology online.

CITIC Press invited outstanding authors and editors to schools in Yuanyang County to participate in picture book storytelling, music appreciation and art enlightenment classes. Books were also donated by CITIC so that rural children could broaden their horizons.

Public Service to the Community

In 2021 we continued to make donations in support of learning, sports, cultural and health-related activities, provide help for disadvantaged groups and build community infrastructure. During the floods in Henan, CITIC Securities, CITIC Prudential Life and CITIC Capital Securities donated more than RMB30 million to Henan Province for disaster relief.

Community Services in Hong Kong and Macau

CITIC's volunteer teams organised activities in 2021 for the elderly living alone and low-income people. The Company also donated anti-infection supplies during the COVID-19 pandemic and held events for protecting the environment and safeguarding Hong Kong's prosperity and stability. These initiatives were carried out not just as a demonstration of CITIC's corporate responsibility but because we have deep roots in Hong Kong.



CITIC's Hong Kong and Macau Staff Association organised the Care to Warm the Community event.



CITIC's volunteers visit the elderly living alone.

CITIC Telecom International sponsored and co-organised volunteer activities with the Chinese YMCA of Hong Kong to show their care for children and their families in the district.

CITIC Metals continued its partnership with ORBIS, encouraging staff to support ORBIS World Sight Day and raising funds to help bring sight and hope to those suffering from eye diseases around the world. All participating staff were given ORBIS pins.



Pins provided by ORBIS Hong Kong to CITIC Metal staff who supported the fundraising campaign.

Overseas Charity Work



CITIC Resources Karazhabas Oilfield staff give blood.

Assistance to Clontarf College is one of CITIC Mining International most important social responsibility projects. CITIC Mining International in 2021 donated to the Karratha Branch of the College to organise student activities in an effort to improve the educational standards and employability of aboriginal youth in remote areas.

CITIC Resources KBM donates to charitable causes and community building programmes. In Kazakhstan, the Company bought tents for the Young Geologists competition that has enabled 11 teams from Mangghystau province to participate in geological expeditions. Our overseas staff also participated in a blood donation campaign and other charitable activities that helped build the Company’s corporate image overseas.

CITIC Construction set up a new aluminum alloy profile factory to help improve CITIC Centenary Vocational School (Angola). Since its establishment in 2014, the vocational school has provided free training and accommodation to nearly 500 underprivileged young people in the region, and helped them find jobs. The outstanding performance of the graduates has been praised by both the Chinese and Angolan governments as well as the community.



Students at CITIC Centenary Vocational School hold up their graduation certificates



A seminar at CITIC Centenary Vocational School

Serving the Community with Love

In 2021 CITIC's volunteer team served in more than 20 cities and regions, including Beijing, Hebei, Henan and Chongqing. These teams have donated their time and energy to more than 20 cities and regions. Volunteer activities have included caring for the children of migrant workers, helping the disabled, promoting financial literacy in schools, donating credit card points to sponsor school children, planting trees to reduce pollution and supporting local cultures.



The CITIC volunteer team during a parent-child volunteer service activity



The CITIC volunteer team visits children with special needs



The CITIC volunteer team gets together to plant trees.



A blood donation activity organised by the CITIC volunteer team



A CITIC youth volunteer team joins a cleaning campaign



The CITIC youth volunteer team join a community support campaign



A waste separation event in Beijing



CITIC youth volunteers learn about CCP history

ESG Index

Aspects	Contents	Disclosure Location
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Statement of the Board of Directors
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Aspects	Contents	Disclosure Location
“Comply or explain” Provisions		
A. Environment		
Aspect A1: Emissions	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	Environmental responsibility Protecting the environment for a more beautiful China
	A1.1 The types of emissions and respective emissions data.	Performance Summary
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Environmental Management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management; Green production

Aspects	Contents	Disclosure Location
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Environmental responsibility Protecting the environment for a more beautiful China
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management; Performance Summary
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Summary
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental responsibility Protecting the environment for a more beautiful China
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Business
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responding to Climate Change

Aspects	Contents	Disclosure Location
B. Society		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Staff Development Building a platform for rewarding and retaining our people
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Promoting Diversity
	B1.2 Employee turnover rate by gender, age group and geographical region.	Promoting Diversity
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Staff Health
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Staff Health
	B2.2 Lost days due to work injury.	Staff Health
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Staff Health

Aspects	Contents	Disclosure Location
Aspect B3: Development and Training	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Talent Fostering
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Fostering
	B3.2 The average training hours completed per employee by gender and employee category.	Talent Fostering
Aspect B4: Labour Standards	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	Caring for Staff Development
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Caring for Staff Development
	B4.2 Description of steps taken to eliminate such practices when discovered.	Caring for Staff Development
Operating Practices		
Aspect B5: Supply Chain Management	<p>General Disclosure Policies on managing environmental and social risks of the supply chain.</p>	Promoting the healthy development of industry
	B5.1 Number of suppliers by geographical region.	Strengthening Supply Chain Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Promoting the healthy development of industry
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Promoting the healthy development of industry
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Promoting the healthy development of industry

Aspects	Contents	Disclosure Location
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer Focused We pursue excellence in our products and services
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Providing quality products and services
	B6.2 Number of products and service related complaints received and how they are dealt with.	Providing quality products and services
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Promoting Industry Excellence
	B6.4 Description of quality assurance process and recall procedures.	Providing quality products and services
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting the legal rights of our customers
Aspect B7: Anticorruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3 Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Service Our social mission for a better future
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Service Our social mission for a better future
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Service Our social mission for a better future

Verification Statement

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English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of CITIC Limited

We have been engaged to perform a limited assurance engagement on the selected 2021 key data as defined below in the 2021 Environmental, Social and Governance Report ("ESG report") of CITIC Limited (the "Company").

Selected Key Data

The selected key data in the Company's 2021 ESG report that is covered by this report is as follows:

- Number of volunteer activities
- Total number of employees
- Proportion of female employees
- Labor contract signing rate
- Number of employee training programs
- Electricity consumption per capita at headquarters
- Water consumption per capita at headquarters
- Gasoline consumption per capita at headquarters
- Green credit balance
- Number of enquiries on the Uwen platform
- Number of online courses provided on the YUNSHANGZHINONG App

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 ESG report.

Criteria

The criteria used by the Company to prepare the selected key data in the 2021 ESG report is set out in the basis of reporting of the key data (the "basis of reporting") after this assurance report.

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Management's Responsibilities

The Management of the Company is responsible for the preparation of the selected key data in the 2021 ESG report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2021 ESG report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

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

Our firm applies International Standard on Quality Control 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.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2021 ESG report based on our work.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2021 selected key data in the 2021 ESG report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2021 ESG report, whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope

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of our work, we have performed the following procedures in the Headquarters of the Company, CITIC Bank, China Securities and CITIC Agriculture. We have not conducted work in other subsidiaries.

- 1) Interviews with relevant departments of the Company involved in providing information for the selected key data within the ESG report; and
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2021 selected key data in the 2021 ESG report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

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

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

April 18, 2022

Basis of Reporting for Key Selected Data

Number of volunteer activities (number)

The term disclosed herein refers to the total number of volunteer activities undertaken by CITIC'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'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'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'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-toface training, carried out by CITIC'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.

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's headquarters during 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's headquarters during the reporting period.

Green credit balance (RMB hundred million)

The term disclosed herein refers to the aggregate amount of CITIC Bank Co., Ltd.'s green credit balance as of December 31, 2021, 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.

Number of enquiries on the Uwen platform (10,000 times)

The term disclosed herein refers to the total number of enquiries provided by China Securities Co., Ltd through the Uwen service consulting platform during the reporting period.

Number of online courses provided on the YUNSHANGZHINONG App (number)

The term disclosed herein refers to the total number of online courses provided on the YUNSHANGZHINONG application as of the end of the reporting period.