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## About this Report

This report is the 10th annual ESG report released by CITIC Limited, which details the company's ESG management and performance in areas such as compliant operations, green development, technological innovation, employee management, customer service, and community outreach in 2023. The company is committed to the truthfulness, accuracy, and completeness of the report's content. To ensure the scientific and credible nature of ESG performance indicators, the company has engaged KPMG Huazhen LLP to conduct limited assurance procedures on selected key data in this report and issue an independent assurance report.

### Scope and Period of the Report

Unless otherwise specified, the scope of disclosure in this report is consistent with the annual report and the 2022 Environmental, Social and Governance Report. The statistical time frame for key performance indicators presented in this report ranges from January 1st, 2023 to December 31st, 2023, with some content extending to March 28th, 2023. This report has been reviewed and approved by the Board of Directors on March 28th, 2024.

### Reporting Principles

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

### Importance

We have identified 24 key ESG issues by engaging in regular communications with stakeholders, following HKEX ESG guidelines, and monitoring global ESG priorities. We assessed the relative importance of these issues to our key stakeholders through questionnaires and other means. This report addresses these key ESG issues and responds to stakeholders' concerns.

### Quantification

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

### Consistency

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

### Balance

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



## Board Statement

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

### The Board of Directors Roles

The Board of Directors at CITIC Limited takes ultimate responsibility for the Company's ESG strategy and reporting. To ensure the Company's commitment to and performance on key ESG issues, the Board's Audit and Risk Committee works alongside other specialized committees and functional departments to incorporate ESG management into internal control, risk management, strategic planning, and other areas. In 2023, the Board proposed several constructive suggestions to the management regarding ESG work, including strengthening top-level design, expanding the workforce, paying attention to climate change risks, and conducting roadshows and reverse roadshows for investors.

### ESG Management Policy

Our Company regularly analyses and assesses ESG risks and opportunities in alignment with our reform, development, operational, and management practices, as well as the concerns of our stakeholders. We remain unwavering in our commitment to improving relevant ESG strategies and policies. Given the significant impact that ESG issues may have on our organisation, we employ various communication channels such as information disclosure, workshops, dialogues, industry conferences, performance releases, and questionnaires to enhance communication among all parties. Furthermore, we perform a yearly analysis of the importance of ESG issues that our stakeholders care about to ensure that we can effectively meet their expectations and needs.

### Review of ESG Objectives

Our Company and its subsidiaries have established annual, mid-term, and long-term management objectives for key ESG issues, such as carbon peaking and carbon neutrality, comprehensive risk management system development, clean technology investment, and R&D investment. The Board of Directors has examined these goals, and it will regularly assess how well they are being achieved.



# Our Company

CITIC Limited (00267.HK) is one of China's largest conglomerates and a constituent of the Hang Seng Index. Tracing our roots to the beginning of China's opening and reform, CITIC has grown in step with the country's rise and modernisation. We have built a remarkable portfolio of businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

Aligning its mission with national goals and contributing to national rejuvenation, CITIC pursues a vision of "building an outstanding conglomerate with a lasting reputation." CITIC is committed to pioneering national goals and to being a leading technology-driven group. Our platform is unique in its diversity and scale, allowing CITIC to capture emerging opportunities in China and around the world. Guiding us as we grow is our fundamental commitment to create long-term value for all of our shareholders.

As of December 31, 2023,



CITIC's total assets amounted to  
**RMB 11,330.9 billion**

and



equity attributable to ordinary  
shareholders was  
**RMB 703.2 billion**

## Business Segments



### Comprehensive Financial Services

Our comprehensive financial services segment aims to be a leader in financial integration. We are deepening the synergy between our businesses through the formation of a financial holding company, enhancing the competitiveness of each individual business and their ability to serve the real economy.



### Advanced Intelligent Manufacturing

We strive to be a pioneer in the advanced intelligent manufacturing sector, aiming to achieve operational breakthroughs in critical technologies and reinforce our leading market position.

## Major Subsidiaries, Associates and Joint Ventures

- CITIC Financial Holdings
- CITIC Bank
- CITIC Securities
- CITIC Trust
- CITIC-Prudential Life
- CSC Financial
- CITIC Finance
- CITIC Consumer Finance

- CITIC Heavy Industries
- CITIC Dicastal
- CITIC Holdings



## Advanced Materials

Our advanced materials segment aims to ensure supply chain stability and to build competitive advantages through the development of complete vertical industrial value chains jointly with the businesses of the advanced intelligent manufacturing segment.



## New Consumption

Driven by the principle of putting customers first, our new consumption segment aims to embrace opportunities created by an increase in domestic digital and lifestyle consumption, driving new trends in the consumer market.



## New-Type Urbanisation

In the new-type urbanisation segment, we have positioned ourselves as the builders of smart cities. We continue to implement China's regional development strategies, providing smart-city solutions with integrated capabilities in engineering contracting, urban operations, property development and management.

## Major Subsidiaries, Associates and Joint Ventures

- CITIC Pacific Special Steel
- CITIC Metal
- CITIC Resources
- CITIC Pacific Energy
- CITIC Pacific Energy Investment
- Nanjing Iron & Steel

- CITIC Telecom International
- AsiaSat
- CITIC Press
- Dah Chong Hong
- CITIC Agriculture

- CITIC Construction
- CITIC Environment
- CITIC Industrial Investment
- CITIC Offshore Helicopter
- CITIC Pacific Properties
- CITIC Urban Development & Operation
- CITIC Heye Investment



# Strategy and Management

## Strategy and Culture

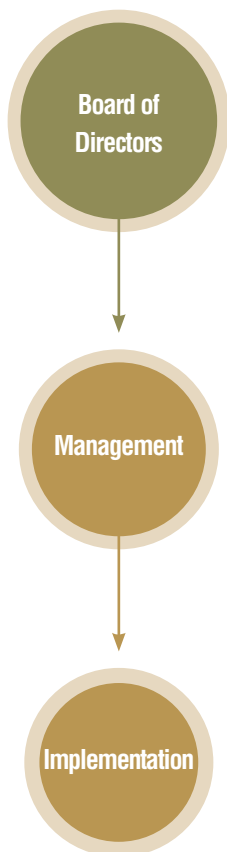
At CITIC Limited, we conduct business with integrity and the highest ethical standards, make decisions in a prudent manner, embrace innovation, and adhere to all applicable laws and regulations. We build a strong corporate culture founded on these principles. The core values of the CITIC culture – Honesty, Innovation, Cohesion, Harmony, Dedication, and Excellence – guide everything we do. We are committed to supporting China's national rejuvenation and other national strategies. Our vision is to become a world-class, technology-driven enterprise group. To achieve this vision, we have developed the 5-5-3 strategy, which leverages five platforms ("5") – financial, industrial, capital investment, capital operations, and strategic investment platforms – to drive integration, collaboration and expansion ("3") across five key sectors ("5"): comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption, and new urbanisation.

## ESG Management

CITIC Limited, adhering to the philosophy of sustainable development, integrates ESG into our corporate development strategies, and has put in place a scientific and professional ESG management system, a clearly-defined and transparent ESG governance structure, and a comprehensive and sound mechanism on communication with stakeholders, thereby strengthening corporate management in a more scientific, professional and systemic manner and facilitating its sustainable development.

## ESG Governance Structure

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



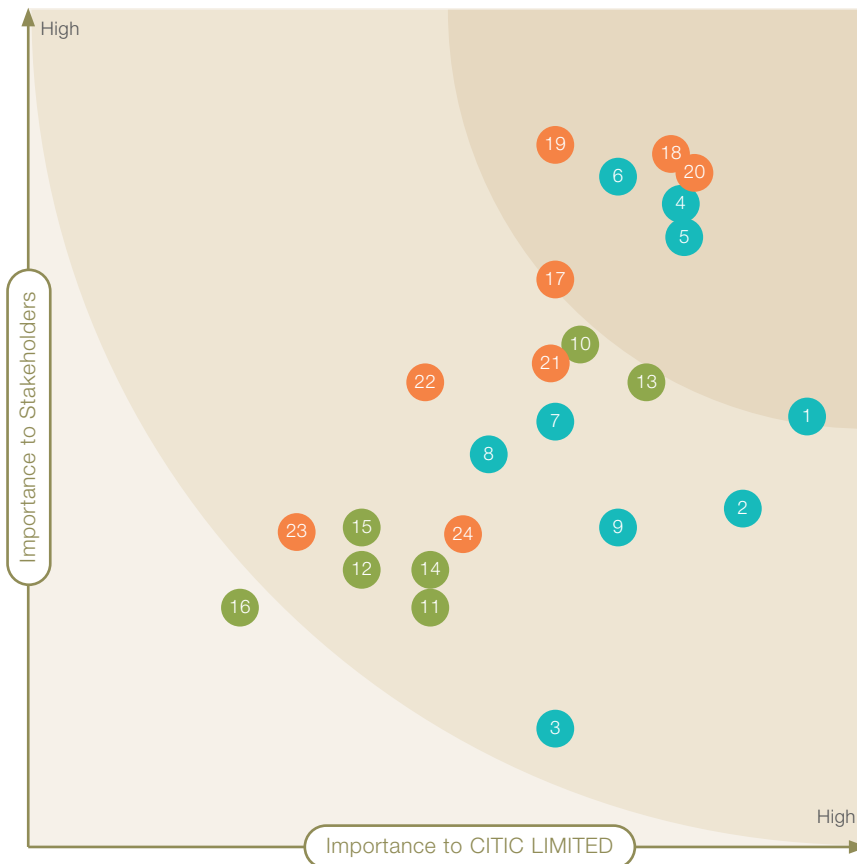
The Board of Directors discharges its statutory ESG supervisory duties in accordance with national laws, regulations and regulatory requirements, including but not limited to evaluating and determining our ESG risk preferences, conducting an annual review of the sufficiency of ESG-related resources and training, assessing the ESG risk profiles and work scopes, and deliberating our annual ESG report. Within each year, the Board of Directors and all special committees stretch their professional strengths on ESG governance, and deliberate and discuss on important issues to make forward-looking research and facilitate scientific decision-making.

- Work on and devise ESG plans, major projects, and comprehensive systems, and submit them to the Board of Directors for review;
- Examine and approve ESG reports and assessments of the materiality of ESG issues, and submit them to the Board of Directors for review;
- Examine and approve ESG-related regulations, annual planning, etc.;
- Report to the Board of Directors on the status of ESG priorities, including but not limited to compliance with national and regulatory requirements, responses to investor demand, and progress on work objectives and plans;
- Deliberate on other important matters related to ESG management as needed.

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

## Materiality Analysis

In the light of the UN Sustainable Development Goals (SDGs), internationally comparable standards on sustainable development reports, corporate social responsibilities and ESG practices, we determine our major stakeholders. To ensure that we have a sound understanding of stakeholders' concerns and expectations, and translate them into impetus for progress, we regularly study key ESG issues, investigate relevant stakeholders, and engage in materiality analyses to ensure that we adequately follow up on and respond to the main concerns of stakeholders.



### Governance Issues

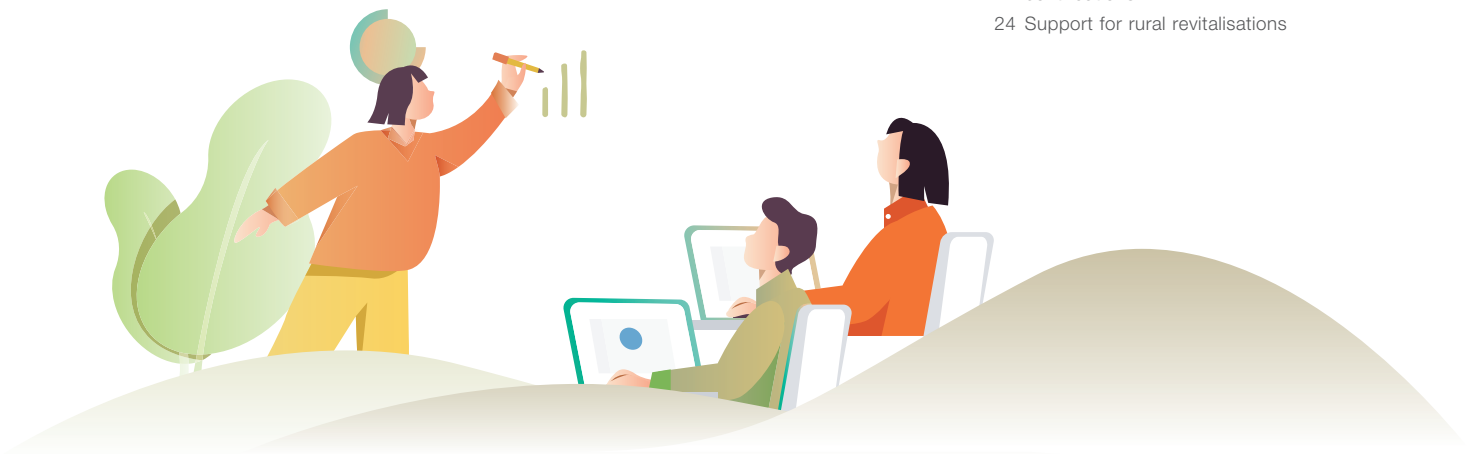
- 1 Aligning with national strategies
- 2 Optimisation of governance structure
- 3 Stakeholder engagement
- 4 Integrity and business ethics
- 5 Comprehensive risk management
- 6 Privacy and information security
- 7 Sci-tech innovation and digitisation
- 8 Responsible supply chains
- 9 Guiding effect for industry development

### Environmental Issues

- 10 Tackling climate change
- 11 Green transformation and innovation
- 12 Green business development
- 13 Sustainable finance
- 14 Energy conservation and emission reduction
- 15 Resource recycling and utilisation
- 16 Biodiversity conservation

### Social Issues

- 17 Protection of consumer rights and interests
- 18 Product and service quality
- 19 Protection of employee rights and interests
- 20 Occupational health and safety
- 21 Recruiting and retaining talent
- 22 Training and career development
- 23 Community engagement and contributions
- 24 Support for rural revitalisations



## Communication with Stakeholders

CITIC Limited places emphasis on shareholder expectations and appeals, and therefore works hard to expand communication channels with stakeholders in all aspects of daily operation. Furthermore, we have established a regular multi-form and multi-dimensional communication mechanism with stakeholders, listen attentively to their opinions and feedback, and respond proactively to stakeholder concerns, with a view to effectively communicating with stakeholders and fostering a stable and harmonious relationship with them.

Stakeholders	Matters of concern	Means of communication
 <b>Government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>• Support for national strategies</li> <li>• Data privacy and security</li> <li>• Quality of products and services</li> <li>• Protection of employee rights</li> <li>• Integrity and business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Routine communication and reporting</li> <li>• Project review and supervision</li> <li>• Cooperation on major projects</li> </ul>
 <b>Shareholders/investors</b>	<ul style="list-style-type: none"> <li>• Quality of products and services</li> <li>• Occupational health and safety</li> <li>• Integrity and business ethics</li> <li>• Comprehensive risk control</li> <li>• Training and career development</li> </ul>	<ul style="list-style-type: none"> <li>• Routine and ad hoc reporting</li> <li>• Annual General Meetings</li> <li>• Investor surveys</li> <li>• Results briefings</li> </ul>
 <b>Clients</b>	<ul style="list-style-type: none"> <li>• Data privacy and security</li> <li>• Comprehensive risk control</li> <li>• Integrity and business ethics</li> <li>• Quality of products and services</li> <li>• Protection of employee rights</li> </ul>	<ul style="list-style-type: none"> <li>• Routine service updates</li> <li>• Customer satisfaction surveys</li> <li>• Handling of customer complaints</li> <li>• Customer service hotline</li> <li>• Website, WeChat official account, etc.</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Protection of employee rights</li> <li>• Integrity and business ethics</li> <li>• Talent acquisition and retention</li> <li>• Training and career development</li> </ul>	<ul style="list-style-type: none"> <li>• Performance updates</li> <li>• Routine training</li> <li>• Culture-building activities</li> <li>• Website, WeChat official account, etc.</li> </ul>
 <b>Industry and trade associations</b>	<ul style="list-style-type: none"> <li>• Integrity and business ethics</li> <li>• Data privacy and security</li> <li>• Protection of employee rights</li> <li>• Occupational health and safety</li> <li>• Comprehensive risk control</li> </ul>	<ul style="list-style-type: none"> <li>• Routine communication and reporting</li> <li>• Field research and visits</li> <li>• Industry-level exchanges</li> </ul>
 <b>Suppliers and service providers</b>	<ul style="list-style-type: none"> <li>• Responsible supply chain</li> <li>• Stakeholder engagement</li> <li>• Climate action</li> <li>• Development of green business</li> <li>• Quality of products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier review and assessment</li> <li>• Supplier meetings</li> <li>• Routine communication and cooperation</li> <li>• Supplier surveys and visits</li> </ul>
 <b>Non-profits, charities, and community-based organisations</b>	<ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Biodiversity conservation</li> <li>• Climate action</li> <li>• Support for rural revitalisation</li> <li>• Training and career development</li> </ul>	<ul style="list-style-type: none"> <li>• Philanthropic activities</li> <li>• Field research and visits</li> <li>• Community engagement activities</li> <li>• Media outreach</li> </ul>

## Case Power of CITIC, New Possibilities – “Access CITIC” Open Day Event

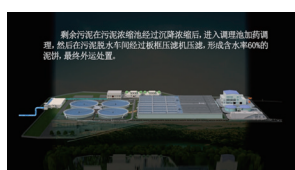
We’ve been hosting the “Access CITIC” open day event since 2021. The 2023 edition, themed “Power of CITIC, New Possibilities”, took place from August to November. We collaborated with our subsidiaries to invite investors, partners, media outlets, and members of the general public to visit our various sites. This firsthand experience provided them with insight into our corporate development achievements and CSR practices. In addition to offline activities, we partnered with Xinhuanet to produce a video series highlighting CITIC’s efforts to promote technological innovation, drive digital transformation, enhance people’s quality of life, and contribute to rural revitalisation. These videos garnered over 10 million views, effectively closing the distance between CITIC Limited and the public and bolstering the visibility and reputation of the CITIC brand across various sectors.



Pilots from CITIC Offshore Helicopter took participants from the “Access CITIC” event on a tour of the company’s airfield. The participants enjoyed an up-close view of the helicopters that had been used to support scientific expeditions in Antarctica. The pilots shared stories highlighting the company’s dedication to providing technical expertise to support polar explorations in the past 15 years.



On September 20, 2023, the CITIC Urban Development & Corporation open day event and public exhibition on mountain and sea conservation, themed “CITIC Protection of Corals in Jinsha Bay”, was inaugurated in CITIC Jinsha Bay Resort in Dapeng New District of Shenzhen. The event comprised a lot of highlights such as diving for growing corals, a ceremony on returning corals to the wild and popularization of science on corals in audio and visual formats. Various activities were launched to call for public attention to issues in the coral ecology, intensified efforts to restore the coral ecology in the sea waters of Shenzhen and improve marine ecological environment.



At the opening day event of the Jiangxia sewage treatment plant for the project of discharging processed water into the Yangtze River in Wuhan, CITIC Environment invited about 30 students from Wuhan University of Technology to visit the “Smart Hub” water system and observe the in-depth integration of the digital revolution with water solution technology.



CITIC Heye held the “Access CITIC” open day event themed “Wisdom of CITIC, Jointly Pursuing New Possibilities in the Future”, in which around 100 guests including partners and media were invited to visit CITIC Tower, a key project of CITIC Heye, to see sci-tech innovations and applications in construction and maintenance of super-tall buildings, and map out new urban landscapes.

## Case Sustainable Economic Growth, Social Development and Environmental Protection – The Third ESG Global Leaders Conference

On September 13, 2023, the third ESG Global Leaders Conference, co-hosted by CITIC Press and Sina Finance, was held in the Greenland Bund Centre in Huangpu District, Shanghai. Held offline for the first time in three years, the conference was attended by 150 policy experts, industry experts and leaders of prestigious enterprises and financial institutions at home and abroad from political, business and academic circles, social organisations and international organisations in more than 30 countries and regions. Themed “Sustainable Economic Growth, Social Development and Environmental Protection”, the event was focused on discussions of sustainable development in the future on 3 topics and 30 core issues, and presented and disseminated to the international community the achievements China has scored in tackling global climate change, fulfilling carbon neutrality and carbon peaking goals and pursuing sustainable development.



Wang Guoquan, Vice President of CITIC Limited, delivered a keynote speech in the conference. In the speech, he focused on reinforcing ESG responsibility fulfilment, making ESG concepts widely accepted and implemented and fostering China’s ESG ecology, and called on all involved parties to strengthen theoretical innovation, practice and experience sharing to contribute to building a beautiful future of sustainable development.

An illustration featuring a person in a green shirt and dark pants standing on a light blue hill, holding a large magnifying glass. In the background, there are stylized teal buildings and green trees. The overall theme is corporate governance and risk management.

# 01

## Building a Compliance Culture Strengthening Governance and Risk Management

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Given the complicated and rapidly changing world economic landscape, rebuilding trust has become a shared aspiration of the global community. In an effort to build itself into a world-class enterprise, CITIC Limited relies on its rigorous, scientific, and standardized corporate governance structure to reinforce compliance management on a continual basis, strictly observes laws and regulations and regulatory requirements in countries and regions where it operates, and stays committed to high-standard business ethics. It takes the initiative to incorporate risk management, compliance operations, anti-corruption, and information security into corporate culture and business development. In order to generate long-term and sustainable business value, it also maintains a high level of risk awareness, pursues superior development through credible and prudent operations, and relies on exceptional governance.







## Honours and Awards



CITIC Limited **ranked high** among China's Top 100 ESG Listed Companies



CITIC Limited was shortlisted among the top 100 Chinese (global) listed companies selected in the 23rd China Business Top 500 Forum, and **ranked 12th**



CITIC Limited won the **Best Public Company** under the Stock Connect Program Award and the **Best Investor Relations Team Award** at the 8th Public Company Awards sponsored by ZhiTong Financial Information



CITIC Bank received the **2023 Board of Directors Best Practices Award** from the China Association for Public Companies



CITIC Bank received the **Excellent Enterprise in Corporate Governance Responsibility Award** from Sina Finance



CITIC Securities received the **2023 Board of Directors Best Practices Award** and the **2022 Public Company Reporting Best Practices Award** from the China Association for Public Companies



CITIC Trust won the **Most Competitive Trust Company of the Year** on the "2023 Golden Medal Award of Chinese Financial Institutions (Golden Dragon Award)" hosted by the Financial Times



CITIC Trust received the **"Outstanding Trust Company of the Year"** from *Securities Times*



CITIC Finance won the **"Best Service Award – Finance Company"** on the "2023 Golden Medal Award of Chinese Financial Institutions (Golden Dragon Award)" sponsored by Financial News



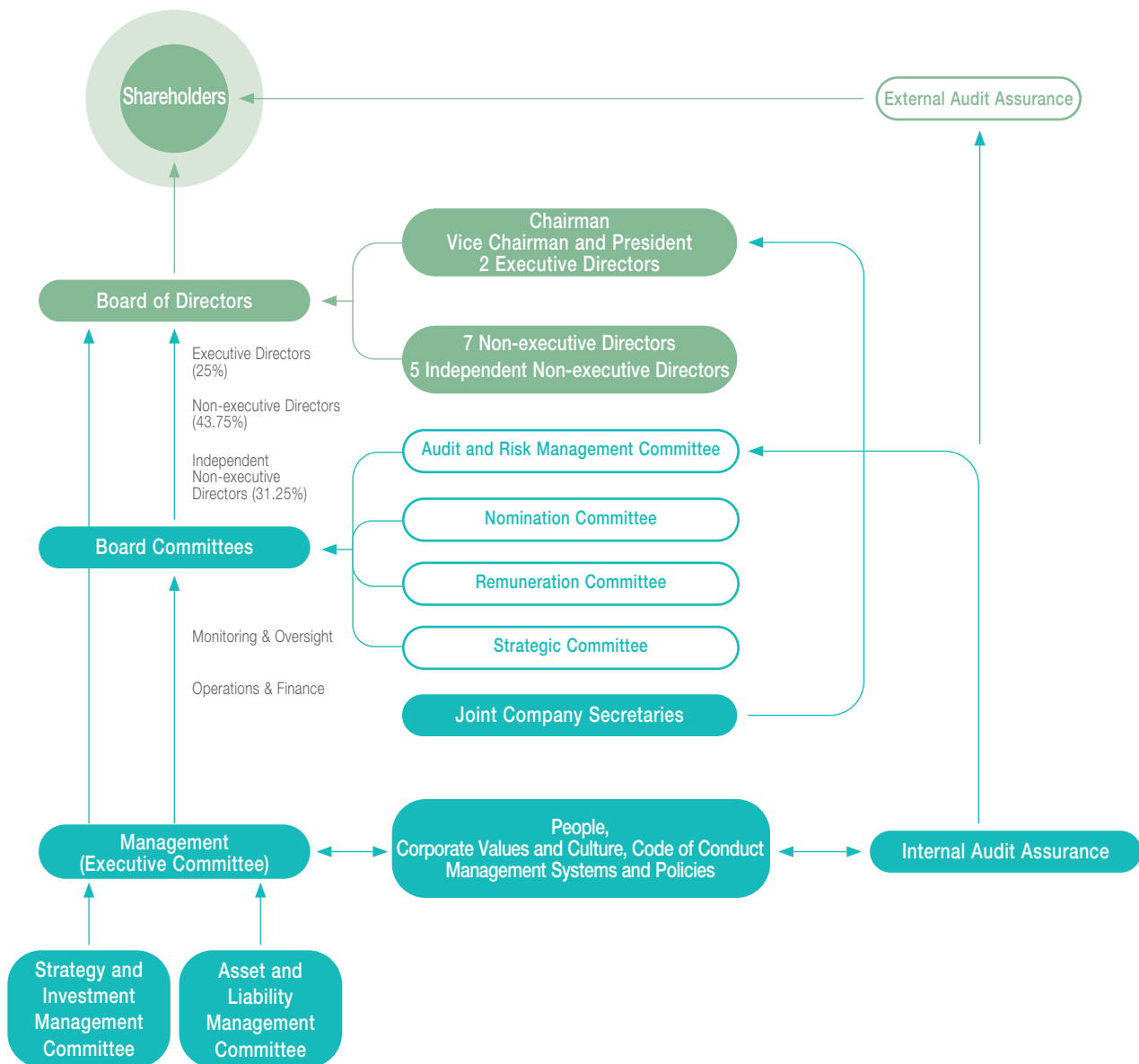
CITIC Resources was rated as an **outstanding listed company** in Hong Kong, jointly sponsored by multiple financial media outlets from the Chinese Mainland and the Hong Kong Special Administrative Region

# Improving Corporate Governance

CITIC Limited believes that a sound corporate governance structure and an efficient Board of Directors underpin high-quality corporate governance. We pay regard to and observe laws and regulations in countries and regions where we operate, continue to improve our modern enterprise system, follow up regularly and meet regulatory requirements, and strive to achieve excellent corporate governance.

## Corporate Governance Structure

We are constantly enhancing our corporate governance structure, which includes the general meeting of shareholders, the Board of Directors, Board Committees, and senior management. Through refining duties discharged by the Board of Directors and improving rules of procedure for the Board of Directors and its special committees, we ensure that management can perform their duties in a coordinated manner, acquaint themselves with the fulfilment of corporate business strategies and development goals, exercise their leadership skills to tackle changes in operations and the competitive environment in a timely fashion and help improve corporate governance and risk control.



Corporate Governance Structure

## Composition and Operation of the Board of Directors

CITIC Limited follows a rigorous process for nomination, selection, appointment, and rotation of Board Members, as outlined in our *Articles of Association and Director Nomination Policy*. We are dedicated to fostering a diverse Board of Directors. Our definition of diversity extends beyond demographics like gender, age, race, and nationality. We seek candidates with a well-rounded blend of knowledge, skills, experience, and background. A nomination committee, established by the Board of Directors and composed mostly of independent non-executive directors, oversees the selection process for Board Members, which is conducted in accordance with our director nomination policy and procedures. They consider factors like independence, professionalism, and diversity when evaluating potential candidates. After the evaluation, the committee will propose a list of candidates for a vote by the Board of Directors.

At the upcoming Annual General Meeting, directors must voluntarily retire in order to promote a strong corporate governance culture. However, they can offer themselves for re-election by shareholders at the same meeting. The re-election of directors is voted on individually. Only those

who receive a majority vote of approval from shareholders will be re-appointed. As at the date of this report, our Board of Directors had 16 members: 4 executive directors, 7 non-executive directors, and 5 independent non-executive directors.

At the end of every year, the Board of Directors assesses its own performance and examines all directors' contributions to the Board of Directors and the time they spare. In 2023, the Board of Directors held four regular meetings in which all directors were present and performed their duties with diligence.

*The CITIC Limited Annual Report 2023* includes a full review of all committees under the Board of Directors, including their on-duty performance, members, attendance, and activities.

## Special Committees under the Board of Directors

To improve oversight functions and strengthen management, the Board of Directors has appointed several committees to discharge its duties. All committees under the Board have access to adequate resources to perform their specific duties and discharge their functions and power in accordance with their respective rules of procedure so the Board can strengthen financial supervision and management of remuneration systems and operations with integrity.

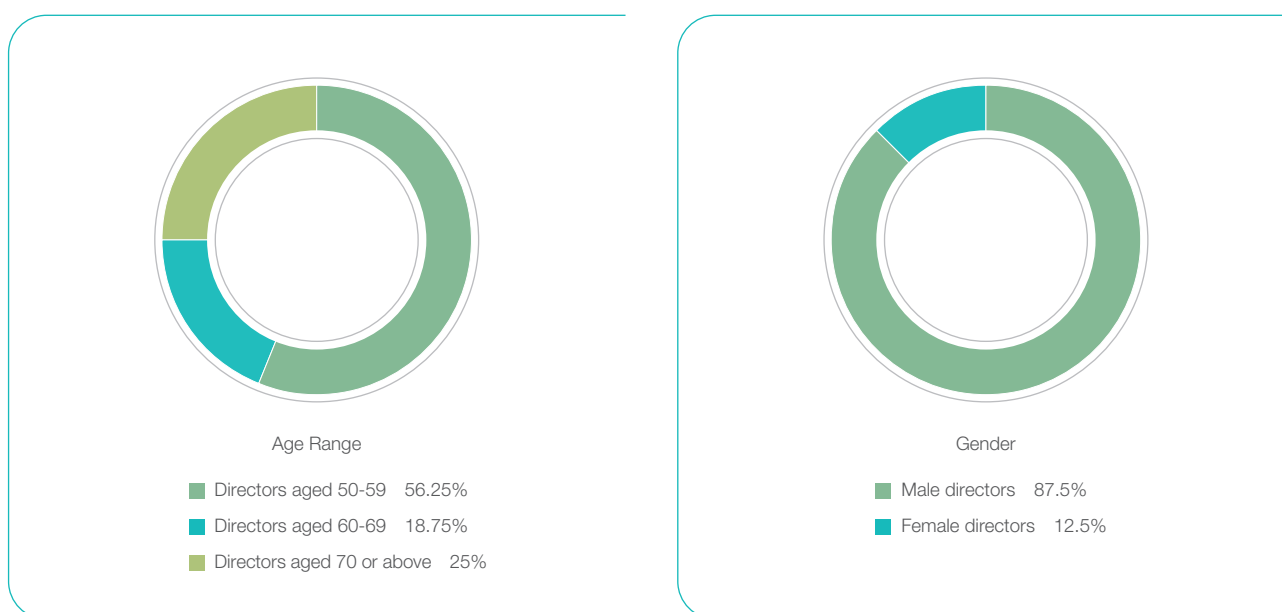


## Diversity of Board Members

We believe that diversity can help the Board of Directors seek improved performance, facilitate effective decision-making, and help pursue corporate governance and supervision more rigorously. In the nomination and election of directors, candidates shall be examined and weighed based on their know-how, experience and background, regional and industrial experience, race, gender, knowledge, and seniority, among other merits required for becoming a Board Member. In addition, all appointments in the Bank are made on merits.

In December 2022, we launched a measurable goal for gender diversity. The Nomination Committee makes an annual review of the Board's structure, number of members, composition, and member diversity and submits proposals to the Board if change is required. In this way, the committee oversees the implementation and effectiveness of the Board Diversity Policy. It reports to the Board whether the measurable objectives of diversity specified in the policy have been met.

Board Composition: Age and Gender Diversity



Note: The above data are as of the date of this report.

## Directors' Continuous Professional Development Programme

We have launched a continuous professional development programme ("CPD Programme") to help directors gain command of new knowledge and know-how and become more acquainted with CITIC's business and the recent trends and developments in the industry. In 2023, directors received regular updates on Company performance and the latest trends in corporate governance, legal, and regulatory landscapes. During the year under review and up to the date of this report, six directors were appointed. CITIC Limited has arranged for briefings/legal advice on Hong Kong law and Listing Rules requirement regarding continuing obligations of a Hong Kong listed company and its directors given by external legal counsel to the new directors. Some directors attended the Hong Kong Chartered Governance Institute's 70th Lecture on Strengthening Continuous Professional Development for Corporate Governance Professionals held in Dalian from July 19-21.

# Comprehensive Risk Management

We are committed to making our comprehensive risk management system more thorough, proactive, actionable, and coordinated while improving the risk management mechanisms in a targeted manner. We guarantee CITIC Limited’s high-quality development by implementing focused enhancements to our risk management mechanisms, which establish a stable and organised operational framework.

In 2023, we actively pursued the key objectives outlined in our “Year of Consolidation and Improvement” strategy. We ensured the smooth operation of our risk preference system and successfully achieved the majority of our quantitative risk management objectives. We conducted a comprehensive analysis of the internal and external environment to further refine of our risk management strategy and risk preferences. This revision, aligned with relevant policies and regulations, aimed to ensure the ability of our risk management strategy and risk preferences to guide sound decision-making and strengthen the effectiveness of our comprehensive risk management system.

## Strategic Framework for Risk Management

Stage 1:	Stage 2:	Stage 3:
<b>2021-2022</b> <b>Establishment &amp; Implementation</b> Put in place a comprehensive risk management system based on five aspects, including organizations, policies, procedures, technologies, and culture, in accordance with the strategy of “Prioritizing Financial Sectors and Following up with Industry Sectors.”	<b>2023-2024</b> <b>Consolidation &amp; Improvement</b> Continue to improve the sound, comprehensive risk management system in a targeted manner, considering national policies, regulatory requirements, and changes in the Company’s development.	<b>2025</b> <b>Comprehensive Deepening</b> Deepen the system and strive to meet goals, including high-efficiency governance, consummate policies, sophisticated technology, and effective management.

## Newly Revised Risk Strategies and Risk Appetites

<b>Risk Strategies</b>	<ul style="list-style-type: none"> <li>Make an in-depth analysis of the external environment from international, domestic, regulatory, and industrial dimensions.</li> <li>Determine work priorities such as guarding against and defusing financial risks and advancing high-quality financial development.</li> <li>Determine action priorities in the second stage of risk strategies                             <ul style="list-style-type: none"> <li>Focus on technology finance, green finance, inclusive finance, pension finance, and digital finance to ramp up financial support for national strategies, key areas, and weak links in the economy</li> <li>Conduct operation activities in a cautious manner to keep risk control within acceptable levels.</li> <li>Proactively perform social responsibilities to integrate economic, environmental, and social values.</li> </ul> </li> </ul>
<b>Risk Appetites</b>	<ul style="list-style-type: none"> <li>Reinforce the navigational role of risk appetites for subsidiaries’ strategic development and operation management from the perspective of value:                             <ul style="list-style-type: none"> <li>In regard to financial sectors, new requirements are added, including “ramping up financial support for national strategies, key areas and weak links in the economy” and improving the capacity for serving the real economy”;</li> <li>In regard to industrial sectors, new requirements are added, including “enhancing the overall competitiveness edge, consolidating the leadership of competitive industries, building leading industrial enterprises, and improving both quality and benefit.”</li> </ul> </li> <li>From the social responsibilities’ perspective, assist subsidiaries in achieving their goals to promote coordination among the economy, environment, and society:                             <ul style="list-style-type: none"> <li>New requirements are added, including “supporting the development of inclusive finance, channelling more financial resources to key service objects of inclusive finance, and helping improve financial services in people’s livelihood.”</li> <li>Observation indicators are added, including “growth of medium and long-term loans for manufacturing, growth of loans for strategic emerging industries, and growth of inclusive loans.”</li> <li>New requirements are added, including “attaching importance to ecological conservation, tackling climate change, and serving inclusive groups.”</li> </ul> </li> </ul>

## Comprehensive Risk Management Framework

The comprehensive risk management system of CITIC Limited comprises “Four Levels” and “Three Lines of Defence” based on the corporate governance structure. The “Four Levels” are the (i) Board of Directors and several committees, (ii) management and several committees, (iii) risk management functions of CITIC Limited, and (iv) member companies. The “Three Lines of Defence” are the (i) first line of defence comprised of business units of each level of CITIC Limited, (ii) second line of defence comprised of the risk management functions of each level of CITIC Limited, and (iii) third line of defence comprising the internal audit teams across all levels of CITIC Limited.

The Board has overall responsibility for maintaining a sound and effective, comprehensive risk management system. The audit and risk management committee acts on behalf of the Board in providing oversight of our financial reporting system, comprehensive risk management and internal control systems, reviews and monitors the effectiveness of the internal audit function, and reviews our policies and practices on corporate governance. The Audit and Compliance Department spearheads our risk management efforts. Functional departments act as dedicated risk management centres for their specific areas. Under this comprehensive risk management framework, subsidiaries are responsible for identifying, effectively managing, and reporting risks related to their operations in a timely manner.

CITIC Limited is committed to constantly improving its comprehensive risk management system, strengthening the risk assessment and monitoring major projects and key businesses while staying fully informed of the operations, financial condition, and major business progress of its subsidiaries through off-site monitoring, on-site inspections, and other means to assess the risks that may arise. In addition, it reports any weaknesses and potential risks on a timely basis while supervising and implementing management and control measures, as well as improving the completeness and effectiveness of its comprehensive risk management system.

CITIC Limited leverages the expertise of CITIC Financial Holdings to strengthen financial risk management across our subsidiaries. Our subsidiaries in banking, securities, trust, and insurance have set up specialised Risk Management Committees, and their risk management departments are in charge of managing and disclosing risks associated with their day-to-day operations. Other subsidiaries have created risk management departments proportionate to the size and nature of their business activities or assigned dedicated personnel to manage risks.

## Risk Management Policies

Based on policy orientations, regulatory requirements, and outstanding practices in the light of business development and management and control modes, we focus on risk appetites to set up a multi-layered and multi-category system of risk management policies and continue to make the policies increasingly applicable and workable. To determine risk aggregates, bottom lines, structures, and limits in both qualitative and quantitative manners, we also implemented an integrated system of risk appetites that crosses the boundary of legal persons while involving multiple layers. Additionally, we implemented management mechanisms across all procedures, including setting, transmission, execution, supervision, and reporting.

### 3 fundamental policies and systems

Lay down risk management strategies, risk preferences, and administrative measures for comprehensive risk management, among other fundamental policies and systems, to explicitly state requirements for comprehensive risk management.

### 18 general rules and regulations

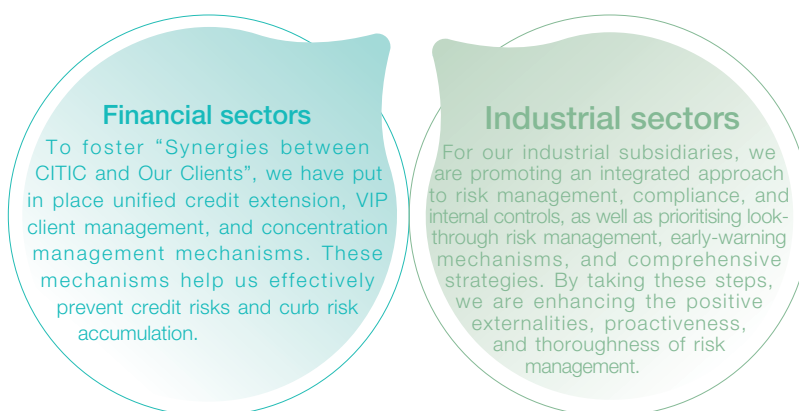
Lay down general rules and regulations, including *the Administrative Measures for Risk Identification and Evaluation* and *the Administrative Measures for Risk Reporting*, to improve mechanisms on risk identification and evaluation, risk reporting, and risk early warning, and to specify standards, methods, and procedures for risk management.

### 24 specialized risk management systems

Lay down specialized risk management systems in response to various risks to stipulate requirements for professional and vertical management and control.

## Risk Management Procedures

We have established risk management processes for all aspects of our operations with a prioritized focus. Our risk management strategies and risk preferences guide these processes. We have designed standardised and hierarchical risk management processes tailored to the specific needs of business units. Our systems, processes, and data are integrated seamlessly to ensure effective risk management. We conduct regular risk identification and assessment activities, with a focus on major projects and key business areas. By combining on-site inspections with off-site monitoring, we stay informed about the evolving risk landscape within our subsidiaries. This allows us to urge our subsidiaries to address potential risks promptly and proactively. We have established a risk reporting system to facilitate timely information collection, analysis, reporting and sharing. For major risk events, we form dedicated teams to ensure effective resolution and implement a closed-loop process that covers the entire lifecycle of a risk event, from identification to monitoring, reporting and handling.



CITIC Limited is constantly upgrading its risk management technology system. The third phase, which builds on the preceding two phases’ successful completion, is centred on increasing the amount of information and application modules for specialised risk management. The third phase also includes online functionalities for risk preference, unified credit extension, risk concentration analysis, risk alerts, and related party transactions. By establishing risk profiles and data archives for subsidiaries, enriching risk compliance data, and eliminating data silos, we aim to continuously improve management, data governance, and digital risk management capabilities.

## Risk Management Culture

We uphold the principle for risk control that “managing risks can help create benefits.” Moreover, we leverage the guiding role of risk and compliance culture to incorporate risk and compliance culture into administrative mechanisms, policies and systems, business rules, and codes of conduct among other parts of operation and management while translating risk management theories into voluntary actions by all staff members.

We introduced 10 training sessions for all staff via the online platform “CITIC School” in 2023. The sessions covered professional domains like risk, law, and compliance and involved case sharing, interpretation of new rules, publicity and regulation implementation, scenario analysis, and exchange of experiences. In total, over 100,000 viewers watched the sessions.

### Case Launching “Risk Management Culture Season” to make staff increasingly risk-aware

From October to December 2023, we launched the “Risk Management Culture Season” in the form of lectures and live streaming. Internal and external experts on risk management were invited to lecture on the latest developments in legal compliance risk, liquidity risk, market risk, reputational risk and country risk. As a result, staff members became more risk-aware, and more capable in risk prevention and control.





# Integrity and Compliance-based Operations

In accordance with *the Basic Norms for Internal Control* and relevant supporting guidelines, CITIC Limited, committing to sustaining high-level ethical and professional standards, continues to strengthen the building of compliance and internal control systems, reinforce supervision and improvement in such key fields as violations of laws and regulations, money laundering and administration of staff behaviours, and calls on all staff to act in accordance with codes of conduct and ethics, so as to ensure steady operations and sustainable development in the Company.

## Compliance Management System

The sound development of a Company is underpinned by compliance management. We consider that compliance management is essential and fundamental in comprehensive risk management. Guided by our risk strategies, we continue to improve our institutional system to build a closed loop for beforehand, ongoing, and ex-post control, achieve hierarchical management at the Company and department levels, and consolidate the lines of defense for internal control and compliance. We report, supervise, and follow up on major matters, and report, rectify, and follow up on ordinary violations of laws and regulations in daily operations.

The Board of Directors and Audit and Risk Committee deliberate annually on reports submitted by the management on codes of conduct, laws, and legal liabilities that CITIC Limited must meet, and internal policies on business operations and corporate governance, and they review rule-related documents applicable to all staff and directors, such as the rules on discipline and the compliance manual.

### Improve compliance rules

- The *Measures for Compliance Management*, the *Administrative Measures for Institutional Compliance*, the *List of Institutions for Legal Compliance Performance in Industrial Sectors*, and the *List of Individuals for Legal Compliance Performance in Industrial Sectors*, among other rules, are laid down to specify requirements for compliance and internal control and improve the mechanism for compliance management;
- Pursue institutional governance, and review and improve institutional systems in view of regulatory changes, managerial demand, and business development. In 2023, we reviewed nine compliance management rules and updated two compliance management rules.

### Fulfill requirements for compliance Control

- Determine compliance risk appetites and strictly oversee operations, and urge and guide subsidiaries to faithfully fulfil supervisory requirements by setting up benchmarks, elaborating on new rules, and issuing letters of compliance, among other means;
- Require persons in charge of subsidiaries to sign *The Letter of Commitment for Compliance Operation* to make clear that persons in charge at all levels are the first to be held accountable for compliance management;
- Assess compliance across subsidiaries using questionnaires and assemble results into compliance reports;
- Conduct an annual questionnaire among subsidiaries on compliance to map to what extent requirements and duties for compliance management are fulfilled in subsidiaries.

### Improve accountability and supervision mechanisms

- Leverage the collaborative risk and compliance management platform to actively promote the rectification of violations in the financial sector and strengthen compliance management in specific areas;
- Improve compliance supervision and rectification mechanisms, and follow up, oversee, and rectify violations or latent risks to defuse compliance risks without delay;
- Refer to negative rules on performance appraisal to link matters subject to severe punishments with performance appraisals for subsidiaries;
- Establish an accountability mechanism for risk events, identify who is responsible for major risk events, and strengthen accountability through enhanced oversight.

### Foster compliance culture

- Establish a mechanism for regular training on compliance and launch training campaigns such as the “Month for Rectification of Violations of Laws and Regulations,” the “Month for Data Compliance Publicity,” and the “Risk Management Culture Season”;
- Optimize the information platform “Risk Compliance Culture,” publish the internal monthly *CITIC Fayuan* (35 editions in total), handbooks and reference books on risks, internal control, law and compliance, learning, training, and publicity materials on macro-economic situations, regularly update all types of information and incorporate the risk and compliance philosophy of “seeking law-based corporate governance, guarding against risks, taking the initiative to pursue compliance, building a solid bottom line for risks” into corporate culture.

## Case CITIC set up a lecturer mission for popularizing legal education

We lay great stress on legal publicity and education. At the end of 2022, a lecturer mission for popularizing legal education was set up. The 19 members from the headquarters and 11 subsidiaries all have a wealth of experience in legal compliance or risk management. Moreover, they are familiar with the operational reality in the company, and have profound and original insights into how to make flexible use of legal knowledge to benefit the Company.

In the third national *Civil Code* publicity campaign, which fell on May 2023, we held lectures on issues in the CITIC, and invited two members of the popularizing law education mission to lecture on the *Civil Code* and related stipulations on apparent agency in judicial explanations. The first session of lectures by the mission was warmly received and achieved good results in the Company, attracting more than 80,000 viewers via both online and offline channels, and contributing greatly to fostering a sound atmosphere of respecting, learning about, observing, and applying the law.



The *Civil Code* publicity lectures in CITIC. Lecture videos have been uploaded to the official account of CITIC so that employees can learn at any time .

## Training on Compliance in Key Fields

### CITIC Bank

CITIC Bank has established a multi-tiered compliance training and assessment mechanism. These training programs cover employee conduct and other relevant topics and are aligned with both external and internal regulations. It also organizes compliance examinations and actively keeps employees informed and up-to-date on regulatory policies in key areas.

## Innovation of Publicity for Compliance Culture

### CITIC Securities

Handed out to staff the revised *Compliance Regulations of CITIC Securities Co., Ltd.* and the leaflet about “observing maxims of honours and disgraces in the securities sector.” In addition, it created a WeChat public account to give publicity to compliance, and the video account “CITICS Window of Compliance” and achieved publicity in varied forms, including texts, long photos, and short videos.

### CITIC Heavy Industries

Held a compliance knowledge contest, set up a column about compliance culture in its intranet, and worked out a handbook on compliance culture.

### CITIC Agriculture

It communicated the main clauses in the *Seed Law of the People's Republic of China* among all staff members in the form of “One card in one lesson”.

### CITIC Environment

It employed its internal publication, WeChat account, and short videos to publicize compliance culture.

## Integrity and Anti-corruption

We strictly observe laws and regulations in countries and regions where we operate, including the *Supervision Law of the People's Republic of China*, the *Law of the People's Republic of China on Anti-money Laundering*, and the *Anti-Unfair Competition Law of the People's Republic of China*. Furthermore, we work tirelessly to support global anti-corruption efforts while continuously tightening requirements for the prevention of bribery, extortion, fraud and money laundering, and anti-unfair competition. And we take concrete steps to protect against all forms of corruption and breaches of business ethics.

### Put in Place a Comprehensive Supervision System

We put in place a comprehensive supervision system in which discipline inspection and patrol inspection or supervision dominates, and supervision on governance, functions, special matters, and public scrutiny works in coordination. We convene regular joint supervisory meetings, establish a mechanism where consultation, coordinated rectification, handover of evidence, and warning notification among other procedures act in concert, and take concrete action to make internal supervision more systematic, consecutive and time-efficient.



### Discipline Inspection and Supervision

We have an independent disciplinary and inspection mechanism and an internal anti-corruption and clean governance mechanism dispatched by the superior in place to combat corruption and promote clean governance. These mechanisms supervise and inspect the performance of duties, impartiality, integrity, and moral conduct of managers and all employees in accordance with the law. We investigate illegal and criminal activities such as embezzlement, bribery, abuse of power, rent-seeking, tunnelling, and favouritism. Employees who break the rules and regulations will be punished accordingly, and managers who fail to fulfil their duties or demonstrate dereliction of duty will be held accountable. Those suspected of crimes will have their cases transferred to the prosecutor's office for investigation and prosecution. In addition, we make recommendations to the relevant personnel's organisations to enhance their regulatory systems and mechanisms.

In 2023, disciplinary inspection and supervision agencies adhered to the established regulations for dealing with evidence and materials related to disciplinary violations or illegal activities. They provide suggestions for handling relevant issues and categorise the received adhered for proper processing. When evidence of illegal activity or disciplinary infractions is discovered that necessitates an inquiry for legal or disciplinary actions, the agency files a case and gathers evidence in compliance with regulations. Following the completion of the investigation, an internal review is carried out, and the agency proposes suggestions for approval and implementation based on specified limits of authority and procedures.

We have established an internal inspection and supervision institution, which sets up inspection teams on a regular basis to monitor the compliance and performance of senior management personnel in both the headquarters departments and subsidiaries. The primary focus of these inspections is to identify issues such as abuse of power for personal gain, embezzlement, bribery, and corruption. Typically, all departments and subsidiaries receive a full inspection every five years. In 2023, we conducted routine inspections of nine subsidiaries, including CITIC Pacific, CITIC Telecom International, CITIC Agriculture, and CITIC Trust, and developed a five-year inspection plan (2023-2027). As per this plan, we will employ various methods, including regular inspections, special checks, random audits, and retrospective reviews, to identify areas for improvement across all subsidiaries over the next five years.

To make anti-corruption efforts rule and procedure-based, we have complied with all sorts of rules and regulations on anti-corruption, involving basic laws and regulations, guidelines and work norms, and put in place a rigorous institutional system. In December 2022, the Board of Directors deliberated and adopted the *CITIC Limited Anti-Corruption Code of Conduct*. The Code specifies corporate policies on individual behaviours of all personnel (including directors, employees, and any persons who engages in the Company's business operations or affairs) and is applicable to all business operations in all affiliates managed or controlled by the Company. Furthermore, we have laid down 19 rules and regulations on complaints and whistle-blowing, archiving of clean governance, etc., and compiled five reference books to achieve whole-process administration from receipt of complaints and whistleblowing to archiving.

## Audit Supervision

We strictly observe laws and regulations, including the Corporate Governance Code issued by Hong Kong Exchanges and Clearing Limited (HKEX), and solidly advance the building of an internal audit system. We have set up the Audit and Risk Committee and established auditing departments in the headquarters and important subsidiaries, where about 650 auditors are engaged. Upholding the principle of "carrying out audits wherever it is necessary and in a strict manner," auditing offices at all levels exercise independent oversight of risk management and internal control in the Company with an aim to help us improve operation management and deliver development goals, and to leverage the important role of internal audit in corporate governance and supervision systems. By including employee integrity in the scope of internal audit, we strengthen inspection on integrity and stay motivated to reinforce administration and prompt staff to abide by rules and disciplines by revealing problems and accelerating rectifications.

We also laid down a number of internal audit systems, including the *Internal Audit Regulations*, the *Management Regulations for Internal Audit Offices of Subsidiaries*, and the *Code of Ethics for Internal Audit Personnel*. The audit office in the headquarters reports on a quarterly basis regarding group-wide audit work, audit findings and rectifications, and human resources for internal audits. Furthermore, an annual evaluation of internal audit work

is conducted to assess audit management, audit quality, audit performance, communication and coordination in subsidiaries, and guiding opinions are made in a targeted manner.

## Building of Integrity-based Culture

To reinforce anti-corruption training for the Board of Directors, the management, and all employees, we incorporate legal compliance, integrity, professional ethics, and code of employee conduct as compulsory courses into all training sessions held via online or offline channels, offer warning education and hold online lectures and other forms to ensure staff respect and adhere to laws and regulations.

In 2023, special integrity courses were introduced during the training sessions for newly recruited personnel and young to middle-aged cadres. A total of 14 typical violations of discipline and laws were reported in a warning education campaign. Targeted efforts were made to reinforce integrity education, seek more rigorous administration, and exercise stricter supervision, covering all staff members. The integrity-based culture-building platform "Qing Feng Xin Shi" was put up, where short videos on integrity are uploaded regularly to spread integrity-based culture for a new era in line with the characteristics of CITIC. 2023 saw the production of a total of five promotional videos on integrity-based culture.



A training session for internal auditors is held at CITIC Limited.



## Strengthening Efforts to Seek Integrity and Compliance Overseas

We have put in place an overseas integrity risk control system and established a leading group for overseas integrity and compliance-based operations to study pertinent, significant matters and coordinate efforts to improve overseas integrity and compliance management. All departments should discharge their administrative duties for overseas integrity and compliance. Twelve subsidiaries, including CITIC Dicastal and CITIC Securities, have established leading groups for overseas integrity and compliance-based operations. Six subsidiaries, such as CITIC Bank and CITIC Offshore Helicopter, have determined work tasks and division of responsibilities with respect to upholding overseas integrity and compliance-based operations.

CITIC Limited is committed to fostering a strong culture of integrity and compliance across all our overseas operations. We set clear guidelines within our overseas management framework to prohibit corruption. We provide clear explanations of relevant regulations and procedures, share real-world examples of non-compliance, and organise training sessions on topics like compliance risks of overseas operations and personnel. In 2023, we brought together employees from eight subsidiaries (including CITIC Construction, CITIC Dicastal, and CITIC Pacific Mining) to discuss best practices in overseas integrity and compliance and the latest developments in overseas regulatory landscapes. By implementing these initiatives, we actively cultivate an awareness of integrity and compliance among our overseas staff.



## Carrying Forward Unswervingly Anti-corruption in Finance

In response to national calls for supervision of anti-corruption in finance, we adjust ourselves to strengthen supervision more strictly and coordinate anti-corruption actions in finance and efforts to dispose of risks. We ramp up financial supervision and internal governance in an effort to forestall and punish financial corruption more effectively and to pave a more solid foundation for the comprehensive development of financial business.

### CITIC Bank

The bank has strengthened its commitment to a clean financial culture by incorporating violations of the *Code of Professional Ethics and Conduct for Banking Employees* into its *Measures for Handling Employee Violations*. This Code now applies to all employees within the bank. The bank has also further strengthened efforts to combat employee bribery and related misconduct.

### CITIC Securities

It has set up the Integrity Building and Anti-bribery Committee under the management, chaired by the chairman of the Board, laid down the *Rules of Procedure for Integrity Building and Anti-bribery Committee* and the *Provisions on Working with Integrity*, and incorporated employee integrity into audit, performance evaluation, and people management systems so that integrity is an important consideration for employee hiring, assessment, promotion, and dismissal. Those who violate integrity-related laws and regulations can be subject to accountability measures such as asking them to return in part or whole bonuses relating to their violations or suspending their qualification for long-term incentives.

### CSC Financial

It has laid down and issued the *Administrative Rules for Integrity in the Investment Banking Management Committee* to improve administrative systems for integrity. It has strengthened the administration of part-time work and investment behaviours by employees to forestall tunnelling. Sustained efforts are made to control marketing expenses. It needs to verify suspected issues of integrity found in auditing and has the administrative duty to address issues that collectively emerge in auditing.

### CITIC Trust

It has compiled a supervisory handbook on integrity risks, sorted out integrity risks in trust business, inherent business, and procurement bidding, among other key fields, identified 10 business links, 27 integrity risk points, and 179 integrity risk signals, and summarized the list of 14 supervision priorities and 8 supervision scenarios, and communicated the above information to objects under supervision.

## Employee Conduct Management

We highly value the integrity and professional ethics among employees. We have laid down and implemented the *Code of Conduct of CITIC Limited*, which outlines requirements for directors and employees regarding personal behaviours, such as bribery, illegal gifts and commissions, acceptance and provision of hospitality, as well as relationships with suppliers and contractors, customers and consumers, employment regulations, compliance supervision, and enforcement methods, and seeks to launch education, supervision, and assessment on employee conduct. We also require all staff members, ranging from directors employees to any personnel working for CITIC Limited (including employees of suppliers and contractors), to have a proficient command of and strictly observe the *Code of Conduct* in an aim to ensure that every employee can fully abide by laws and regulations as well as corporate policies in work and commercial activities.

Outline of Employee Code of Conduct				
Individual behaviours of directors and employees	Relationships with suppliers and contractors	Relationships with customers and consumers	Employment regulations	Compliance supervision and enforcement methods
<ul style="list-style-type: none"> <li>Bribery, illegal gifts, and commissions</li> <li>Acceptance and provision of hospitality</li> <li>Use of confidential data</li> <li>Cases involving conflict of interest</li> <li>Illegitimate use of CITIC's assets and resources</li> <li>Loan</li> <li>Individual behaviours outside working hours</li> </ul>	<ul style="list-style-type: none"> <li>Fair and open competition</li> <li>Fulfilment of public interests and accountability standards</li> <li>Procurement and bidding procedures</li> <li>Bribery and corruption behaviours</li> <li>Payment procedures</li> </ul>	<ul style="list-style-type: none"> <li>Customer services</li> <li>Dedicated to providing customers with top-quality products and services</li> <li>Product safety and serviceability</li> </ul>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Equal access to employment opportunities</li> <li>Privacy</li> <li>Communication</li> <li>Career development and remuneration</li> <li>Stipulations on alcohol and drug addiction</li> <li>Gambling</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge and observance of the Code of Conduct</li> <li>Violation of the Code of Conduct</li> <li>Complaint</li> <li>Whistleblowing</li> </ul>

We've launched different training sessions on professional ethics, anti-fraud, and anti-corruption in accordance with industry types and job levels. We made comprehensive use of publicity platforms such as the intranet, WeChat Official Account, and APPs to instruct employees to behave well. In the 2023 group-wide campaign for examining the fulfilment of the *Code of Conduct*, a notice of rectification was issued to 13 functional departments and 22 subsidiaries, involving 180,000 employees who made a self-review. According to statistics, the violations of the *Code of Conduct* in 2023 trended downward compared with levels in former years. Considering the fulfilment status, we identified those responsible and promptly rectified any non-compliance behaviours that manifested.

## Special Audit of Employee Conduct

In 2023, CITIC Bank laid down the *Several Measures for Further Strengthening Administration of Employee Conduct to Forestall Risks*, which stipulates 16 targeted measures on conduct management, daily administration of business operations, whole-process administration for employee conduct, conduct risk monitoring, case handling, and governance. Furthermore, the bank conducts targeted investigations of unusual behaviours of employees if unusual business activities are found in comprehensive auditing and economic responsibility audits. In 2023, auditing of unusual behaviours of employees in the bank was focused on conventionally key fields, jobs, and links, including credit accessibility, credit approval, assets disposal, centralized procurement, and remuneration expenses. By implementing these initiatives, the bank has increased vigilance for potential employee misconduct related to its business activities.



## Whistleblowing

With accessible reporting channels in place, including letters, visits, and e-mail, we strictly follow the *Rules for Handling Reports and Accusations by Disciplinary Inspection and Supervision Organisations* to receive and handle whistleblowing. Furthermore, we have laid down the *Administration Measures for Reporting*, the *Administrative Measures for Petition*, the *Measures for Encouraging Real-name Reporting and Punishing False Accusations and Framing*, and the *Whistleblowing Policies* and the *Guidelines for Handling Whistleblowing* for our operations in Hong Kong to specify scopes of acceptance, channels, and procedures for handling whistleblowing and complaints. These units or individuals in violation of laws and regulations, proven to be true after verification, are subject to punishment by related departments in accordance with administration authority or transferred to judicial organs for investigation according to law if criminal activity is suspected.

Following the principles of “Seeking Truth From Facts, Recusal, And Confidentiality,” we safeguard the rights, interests, and private information of whistleblowers, we maintain strict confidentiality of their real names, we restrict the dissemination of their information, and we prohibit divulging any information about them. Divulging the source of evidence during the process of verifying issues reported using real names is prohibited. The recusal system should be faithfully upheld in supervision and discipline enforcement. Taking revenge on whistleblowers and their relatives is prohibited. Any violation of a whistleblower’s legal rights should be looked into and dealt with sternly in order to safeguard their interests and lawful rights.

## Anti-money Laundering and Countering the Terrorism Financing

Pursuant to laws and regulations on anti-money laundering including the *Law of the People’s Republic of China on Anti-money Laundering*, the *Administrative Rules on Anti-money Laundering and Countering the Terrorism Financing of Banking Financial Institutions* and the *Guidelines on Risk Management for Money Laundering and the Terrorism Financing of Incorporated Financial Institutions (trial)*, we have put in place a sound and complete administrative structure for anti-money laundering, with an explicitly-defined division of duties, incorporated of ourselves own accord anti-money laundering risks into the system of comprehensive risk management to strengthen the building of an internal control system for anti-money laundering, translated external compliance requirements into internal rules as required in a timely manner, and revised the internal control system for anti-money laundering. Relying on CITIC Financial Holdings, a platform Company providing comprehensive financial services, we have reinforced control of capitals, risks, and related-party

### Reporting Channels

- Disciplinary inspection, supervision, and petition institutions at all levels have publicly disclosed their scope of acceptance for handling reporting and complaints, mailing address, reception address, reporting hotline, fax number, email address, and reporting mailbox.
- The headquarters has opened a mailbox for the Chairman and CEO, which is monitored by a dedicated person who forwards these emails to the disciplinary inspection, supervision, or petition institutions for processing.

### Whistleblowers’ Protection

- We encourage whistleblowers to leave their names and contact information. We ensure strict protection of their information and prohibit any threats, attacks, or retaliation against them.
- We accept anonymous reporting through any channel.
- We treat whistleblowers with courtesy and respect without subjecting them to harassment or discrimination in any manner.

### Beijing Headquarters

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### Hong Kong Headquarters

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transactions and coordinated development in our subordinate financial institutions to forestall anti-money laundering and maintain financial order.

CITIC Financial Holdings has laid down the *Administrative Measures for Anti-money Laundering and Countering the Terrorism Financing* to accelerate the establishment of a clear and well-defined administration system for anti-money laundering in financial sectors. The Board of Directors of CITIC Financial Holdings discharges its administrative duties in accordance with its articles of association and relevant regulatory requirements, and the management is responsible for implementing risk management for anti-money laundering. The Risk and Compliance Department is in charge of centralized management of anti-money laundering. It oversees and manages anti-money laundering efforts in the financial sectors of CITIC Limited.

## Three Lines of Defence Against Money Laundering

CITIC Financial Holdings has put in place a whole-process system for anti-money laundering, in which all staff members join hands to counter the risks of money laundering and the financing of terrorism that are likely to arise in daily business operations. All subsidiaries follow unified requirements on anti-money laundering and can establish their own internal control systems according to promote stricter practices in line with their own risk status.

### “First Line of Defence”

#### Business departments

These departments should prioritize identification, assessment, and control. In addition, they should be directly liable for the administration of anti-money laundering. The staff members who are responsible for opening accounts, concluding transactions, and managing clients' accounts and transactions shall verify cautiously clients' identities before entering into business relations with clients. Furthermore, they should verify clients' identities, discern and report large amounts of questionable transactions, keep a watchful eye on clients' unusual behaviours without delay, and report them without delay.

### “Second Line of Defence”

#### Compliance management and risk control departments

Increased effort is being put into monitoring and reporting on anti-money laundering activities while improving and relevant laws and regulations on anti-money laundering are amended and improved.

### “Third Line of Defence”

#### Audit and discipline inspection departments

These departments are responsible for inspecting all lines of defence.

#### Special examinations of anti-money laundering

##### ③ CSC Financial

CSC Financial made special examinations of anti-money laundering in an innovative manner. They supervised key fields involving risks found through self-assessment to establish a headquarters quality control mechanism, part of important administrative measures for anti-money laundering.

##### ③ CITIC Trust

CITIC Trust launched a special campaign on self-examination to reinforce due diligence investigations for the clients facing high risks of money laundering, verified problems based on findings in self-examination, and circulated a notice of typical problems found.

#### Anti-money laundering training

##### ③ CSC Financial

CSC Financial continued to ramp up professional training. They offered timely risk warning education to become more capable of detecting clients' questionable behaviours and properly dealing with emergencies involving money laundering risks.

##### ③ CITIC Trust

All department heads, account managers, anti-money laundering information clerks, and other trainees engaged in Company-wide training sessions that CITIC Trust organized on the confidentiality of information about anti-money laundering and due diligence investigations of customers. A targeted training session on law enforcement inspection on anti-money laundering was held among anti-money laundering information clerks.

##### ③ CITIC Finance and International Business Department in Beijing Branch of CITIC Bank

In collaboration with companies using cross-border settlement, such as CITIC Dicastal, CITIC Metal, CITIC International Trade, CITIC Press and CITIC Construction, CITIC Finance and International Business Department in the Beijing Branch of CITIC Bank organised a series of publicity activities on anti-money laundering and cross-border trade facilitation.

#### Anti-money laundering advocacy

##### ③ CSC Financial

CSC Financial launched an event to solicit articles on anti-money laundering, in which a total of 68 professional articles were submitted and concentrated publicity activities conducted. A total of 151 publicity activities, 15 short films, and 12 animations were created across its branches.

##### ③ CITIC Trust

CITIC Trust used its WeChat Official Account to disseminate the knowledge of anti-money laundering on a continual basis by uploading videos and articles of all kinds on cracking down on typical criminal cases of money laundering.



# Privacy and Information Security

At CITIC Limited, we exert ourselves to establish a consummate framework for information security management and work to formulate life-cycle management strategies for data safety from the perspectives of administrative structure, data processing, application systems, and terminal services.

## Information Security Management System

We have set up a committee on digitisation to take charge of information security, including the protection of individual information of customers, and required subsidiaries at all levels to put in place a sound system for information security management. *Cybersecurity Management Measures and Administrative Measures for the Protection of Individual Information* have been laid down to detail customer information processing, information security, and the ways to handle violations of laws and regulations. In 2023, we newly formulated the *Administrative Rules for Issuing Information via Online Platforms*, the *Administrative Rules for Mobile Office Platforms*, and the *Work Program on Strengthening Headquarters Audit Information Security* to control in a rigorous way information transmission in key fields and forestall leakages of confidential information. By the end of 2023, such subsidiaries as CITIC Securities, CSC Financial, and CITIC-Prudential Life were certified by the ISO27001 Information Security Management System.

### Organisational structure for information security

#### 📍 CITIC Bank

CITIC Bank implements a top-down data security and privacy management structure. The Board of Directors is responsible for integrating data security into the bank's corporate governance, culture, and business strategies. They also oversee and assess the implementation of data security initiatives and hold management accountable for their performance in this area. Senior management is responsible for reviewing and approving data security goals and strategies. The Information Technology Committee is responsible for reviewing data security system development plans, and IT risk policies and coordinating efforts to address major IT and data security risks.

#### 📍 CSC Financial

The Information Technology Governance Committee in the Company works as the leading group for corporate cybersecurity to protect the safety of key information infrastructures. The chief engineer assumes the role of chief officer for corporate cybersecurity. Furthermore, a dedicated administration for the safety of key infrastructures has been put in place to coordinate efforts for information security and protection.

### Institutional building for information security

#### 📍 CITIC Bank

It has established a more comprehensive customer information protection and management system by formulating and issuing the *Administrative Measures for Information Security*, the *Administrative Measures for Data Security*, the *Administrative Measures for Customer Information Protection*, the *Administrative Measures for Consumer Financial Information Protection*, and other policies and norms. This system clarifies the requirements for personal information protection management and all links of the data life cycle (collection, transmission, usage, storage, deletion, destruction, etc.), which are applicable to the head office and branches, and all personal and corporate data collected by the bank throughout the entire process, from collection, processing to storage for the provision of financial products and services.

#### 📍 CSC Financial

It has formulated two key policies to safeguard information: The *Code for Information Safety* and *Administrative Measures for Emergency Response*. The *Code for Information Safety* establishes clear data security protocols for all aspects of its IT management. The *Administrative Measures for Emergency Response* outlines a structured approach to incident response, including designated leadership roles, clear responsibilities, specific procedures, and core principles for handling emergencies. It also emphasizes preventive measures to minimize disruptions to business operations.

#### 📍 Dah Chong Hong

It has laid down and executed the *Guidelines for Impact Assessment of Personal Information*. Impact assessment has been made for all customer information acquired, and precautionary measures based on assessment results have been taken to prevent any incident relating to customer information.

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## Cybersecurity protection

### CITIC Securities

It conducts a monthly scanning of network vulnerability, regularly updates malicious code databases for anti-virus gateway and anti-virus mail gateway, and swiftly analyses and disposes of intercepted dangerous viruses or malicious codes. The technology has been introduced in telecommuting by incorporating office applications into zero-trust management. As a result, risk exposure in telecommuting has narrowed greatly.

### CSC Financial

It continues to optimise the strategy for server vulnerability management and conducts vulnerability scanning on a monthly basis; Carry out actual combat drills of attack and defense confrontation, identify potential data security hazards of the company, and rectify security risks and vulnerabilities.

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## Data Security Management

### CITIC Securities

CITIC Securities commits to building the unified backup service capacity aligned with national data protection standards and ensures the data is safeguarded through off-site storage of various databases. By default, all databases are backed up in the form of daily incremental and weekly full backups, and monthly and yearly archived backups are retained for older databases, so as to continuously improve the capability of the unified backup service.

### CITIC Urban Development & Operation

CITIC Urban Development & Operation constantly monitors and assesses potential risks across its physical security, cyber-security, and data protection systems. By working hand-in-hand with highly skilled facilities management teams, it ensures all its offices, equipment, and facilities meet the highest security standards.

## Respect for and Protection of Customer Privacy

At CITIC Limited, we strictly observe related laws and regulations, including the *Law on the Protection of the Rights and Interests of Consumers*, the *Cybersecurity Law*, and the *Personal Information Protection Law*, urge our subsidiaries at all levels to put in place sound policies on privacy protection, incorporate privacy protection into daily business procedures, and regulate customer information collection to prevent against infringements of privacy and interests, while providing and improving services.

Our employees are required to process customer personal information in accordance with the provisions, to collect such information with the consent of customers and in a legitimated, reasonable, and appropriate manner under the prerequisite that customers are fully acquainted with purposes, reasons, manners, and scopes, and to ensure that all customer information is well protected to prevent against any unauthorized and illegal processing. Meanwhile, storage life is imposed on all data collected. Upon the expiry of the storage life, all data are destroyed and cannot be restored. All customer data should be acquired in a legitimate and reasonable manner. Personal information processing shall have logical purposes to avoid the collection of excess customer data.

### CITIC Securities

It has laid down the *Trial Measures of CITIC Securities for Personal Information Protection* and issued the provisions for privacy protection, which stipulates in an open and transparent manner “how to collect and use information” and “how to process and protect the personal information of minors,” and elaborates the types of personal information and their corresponding purposes.

### Dah Chong Hong

In 2023, it laid down the *Policies on Data Privacy Protection*. According to the Policies, employees are required to process customer personal information in accordance with relevant provisions, to collect customer information with the consent and in a legitimate, reasonable, and appropriate manner under the prerequisite that customers are fully acquainted with purposes, reasons, manners, and scopes, and to ensure that all customer information is well protected to prevent against any unauthorized and illegal processing.

# Supplier Management

At CITIC Limited, we commit ourselves to maintaining and developing long-term partnerships with suppliers and contractors. In 2023, we took the following measures to seek reform in procurement management.

## Improving Procurement Management Departments

A centralised procurement management committee, chaired by the Chairman and co-participated by specialized departments such as the financial department and the legal service department, has been set up to reinforce group-wide centralised procurement management. The committee is charged with carrying out important work for centralised procurement, deliberating procurement matters and projects as well as important rules on management, and checking and approving the headquarters' catalogue of centralised procurement and the catalogue of commodities requiring open tendering, the headquarters' annual plan for centralised procurement and the implementation.

## Optimising Procurement Policies

In accordance with such laws and regulations as the *Bidding Law of the People's Republic of China* and the *Interim Provisions on the Centralised Procurement Management in State-owned Financial Enterprises* issued by the Chinese Ministry of Finance, we revised the *Administrative Measures for Procurement* applicable to the headquarters and all subsidiaries, which seeks whole-process procurement management, and requires that the procurement of supplies and services needs to observe the strictest moral criteria, to ensure that delivered products and services are of good quality, and promote the maintenance of good cooperative relations. Suppliers must sign the Letter of Commitment to Integrity alongside the contract. Major subsidiaries were required to put procurement management offices in place, update related rules and regulations according to our latest requirements, and submit them to the Centralised Procurement Management Committee for filing.



The procurement management department of the headquarters explained the newly revised Administrative Measures for Procurement to staff and supplier representatives.

## Procurement and Bidding Principles



### Supplier approval review

#### 📍 CITIC Metal

CITIC Metal Holdings under CITIC Metal: It has laid down the *Administrative Regulations for Counterparties* and other rules to administer supplier approval and rating, to choose qualified suppliers through on-site examination based on such indicators as goodwill, supply capacity, and financial status, and to regularly review the eligibility of suppliers and adjust the list of qualified suppliers.

### Identification of ESG risks of suppliers

#### 📍 CITIC Pacific Mining

It employed the enterprise resource planning (ERP) system and the automated information management system to collect and analyse suppliers' information to identify and control ESG risks. Given the complexity of the categories of items to be procured, CITIC Pacific Mining sought cooperation with industry-leading consulting companies to launch a supplier management system, which can prioritize identifying and controlling ESG risks across industry chains and improve the prevention mechanism for such risks.

### Supplier integrity and compliance

#### 📍 CITIC Financial Holdings

CITIC Financial Holdings: By strictly observing the *Interim Provisions on the Centralised Procurement Management in State-owned Financial Enterprises*, it has coordinated efforts to put up the "CITIC Financial Holdings Sharing Platform for Procurement" to regulate procurement in CITIC Financial Holdings and its subsidiaries.

### Advocacy of green procurement

#### 📍 CSC Financial

To gain admittance, all suppliers need to commit themselves to going green operations. Suppliers shall undertake to engage in production activities without causing damage to the environment or with minimal damage to the environment. They shall discharge their duties for energy conservation and emission reduction, pursue positive and responsible practices, and ramp up the use of environmentally friendly technologies to reduce air, water, sound, and light pollution in production and operations.

# Intellectual Property Management

At CITIC Limited, we have put in place a specialised department that oversees the daily administration of legal affairs relating to intellectual property. In accordance with laws and regulations such as the *Civil Code*, the *Trademark Law*, the *Copyright Law*, and the *Patent Law*, we have laid down the *Administrative Measures for Intellectual Property* and the *Administrative Measures for Trademarks* to protect patents, copyrights, trademarks, and other rights entitled by law and arising from operating activities. We have put in place administrative measures for major scientific research projects, which set details of intellectual property management and require that intellectual property should be, in principle, co-owned by the headquarters and the involved subsidiary, with an aim to defend technological achievements. We have prepared a report detailing the implementation and oversight of our intellectual property management system, along with recommendations to improve the management of our IP assets.

As of the end of 2023, CITIC owned 9,972 valid patents and 3,040 invention patents, showcasing our enhanced capacity for independent innovation.



As of the end of 2023,  
CITIC owned  
**9,972** valid patents



invention patents  
**3,040**



## Combating Intellectual Property Infringement

With a deep commitment to protecting IP rights, we follow a four-stage process for handling infringements, as outlined in the *Guidelines for Handling Intellectual Property Infringements*. The four stages of the process are evidence preservation, verification, case management, and outcome reporting. Our IP infringement guidelines prioritise addressing six common categories of infringement. In 2023, we vigorously pursued legal action against individuals or entities falsely representing themselves as our subsidiaries, secured the removal of nearly 900 infringing social media accounts on platforms like Weibo and WeChat, and handled 111 trademark infringement cases through opposition or invalidation procedures. Under the headquarters' guidance, the number of infringement cases independently handled by our subsidiaries increased significantly over the previous year.

### 📍 CITIC Press

In response to new types of infringement acts via social media and online disks, it addressed more than 3,000 infringement acts in 2023.

### 📍 CITIC Holdings

It has set up an intellectual property management system and a special team responsible for the overall monitoring and management of its intellectual property affairs. Furthermore, it adopted technical means to strengthen intellectual property protection. Encryption technology, digital watermarking, and other technical means are used to protect patents and software from unauthorized reproduction and transmission. Moreover, regular training sessions on intellectual property are organised to raise staff's awareness of such rights and their protection.

### 📍 CITIC Heavy Industries

It has laid down the *Administrative Measures for Intangible Assets*. As stipulated in the Measures, as long as any infringement of its patents, photos, and trademarks is discovered, its legitimate rights should be defended via sending notice, making complaints, reporting to administrative organs, or initiating legal proceedings in a timely manner.

### 📍 CITIC Construction

All general project contracts signed by the Company have terms detailing property ownership and liabilities for tort in order to protect intellectual property.



# Environmental Responsibility

## Our Commitment to Green and Low-Carbon Development

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A green and sustainable future requires the harmonious coexistence of humans and nature. In light of climate change and ecological crises, there is a global agreement that we must prioritise and achieve sustainable development, redefine the relationship between humans and nature, and expedite the entire transition towards environmentally-friendly economic and social development. CITIC Limited adheres to the new development philosophy and adopts a strategy focused on sustainable, high-quality green and low-carbon development. A comprehensive enterprise, we seek to contribute to building a global community of shared future and the achievement of carbon peaking and carbon neutrality by continuing our exploration in green and low-carbon transformation.







## Honours and Awards



CITIC Bank received the **Green Banking Excellence Award** from China Banking Association



CITIC Securities won the **4th International Financial Forum (IFF) Global Green Finance Awards – Innovation Award**



CITIC Trust won “Outstanding ESG Company Award” of the 12th **“Golden Wisdom Award”**



CITIC Heavy Industries was rated as the **National Green Factory** by the Ministry of Industry and Information Technology of the People’s Republic of China



Yangzhou Pacific Special Materials Co., Ltd., a subsidiary of CITIC Pacific Special Steel Group, was rated as the **National Green Factory** by the Ministry of Industry and Information Technology of the People’s Republic of China



CITIC Envirotech was included in the China Association of Environmental Protection Industry’s **2023 List of Top 50 Chinese Environmental Protection Companies**



CITIC Tower, a skyscraper owned by CITIC Heye, received the **Certificate of Excellence for the Sustainability Achievement of the Year at RICS Awards China 2023**



CITIC Bank received the **2023 Public Company ESG Best Practices Award** from the China Association for Public Companies



CITIC Securities won **The Asset Triple A Country Awards for Sustainable Finance 2022** and **The Asset Triple A Sustainable Capital Markets Awards 2022**



CITIC Securities received the 2023 ESG Excellence Award and the 2023 **Securities Company Responsible Investment Award** from Sina Finance



CITIC Pacific Special Steel won the Steelie Awards – **Excellence in Life Cycle Assessment Award** sponsored by the World Steel Association



Jiangyin Xingcheng Special Steel Works, Daye Special Steel, Qingdao Special Steel, and Tianjin Pipe, all of which are subsidiaries of CITIC Pacific Special Steel Group, was rated as the **Steel Industry Role Model Company** at the 4th National Steel Industry Green and Low-Carbon Development Conference



At the 2023 Boao Forum for Entrepreneurs, CITIC Environment was recognized for its **Unique ESG Practices** and named **“Outstanding Contributor to the ‘Dual Carbon’ Targets”**



# Further Developing the Environmental Management System

At CITIC Limited, we strictly implement laws and regulations related to environmental protection, strive to improve our environmental policy and management system, and continue to develop environmental management practices. We are committed to supporting China's "dual carbon" targets. We have taken significant strides in this direction by compiling the industry's first carbon profit and loss account. We comprehensively measure and mitigate the environmental impact of our operations and systematically improve our environmental performance.

## Environmental Management System

We have been developing our management systems, covering policy guidelines, rules and regulations, implementation, supervision, and assessment. We strive to improve the environmental management of the Company and our subsidiaries.



### Advanced Intelligent Manufacturing

#### CITIC Dicastal

CITIC Dicastal consolidated various environmental regulations and standards and combined them with the current corporate environmental management status to compile five new environmental protection-related systems in 2023. It launched the EHS informatisation platform to strengthen the monitoring and reporting of environmental protection-related information.

#### CITIC Heavy Industries

CITIC Heavy Industries established, implemented and continuously improved the environmental management system; formulated the *Environment/Occupational Health and Safety Management System Manual* and procedural documents which clearly stipulate the environmental policy and objectives; ensured that its treatment of wastewater, waste gas, emissions and waste disposal comply with all governing standards and requirements; established an energy management system and a scientific energy management system, organised a team of professional talents to promote energy conservation, consumption reduction and emission reduction.



### Advanced Materials

#### CITIC Metal

CITIC Metal Group improved the ESG information collection mechanism, strengthened ESG management and information disclosure, conducted statistics, monitoring and analysis of energy consumption, carbon emissions and other data, and scientifically forecasted 2024 – 2026 energy consumption and carbon emissions for refined environmental management.

#### CITIC Mining International

CITIC Mining International formulated and strictly implemented an environmental protection management system that benchmarks the ISO14000 environmental management system and processes, set up an environmental management system audit committee, monitored the environmental management performance of the project through quarterly management meetings, and continuously monitored and assessed the impact of the project's production and operations on the local environment.



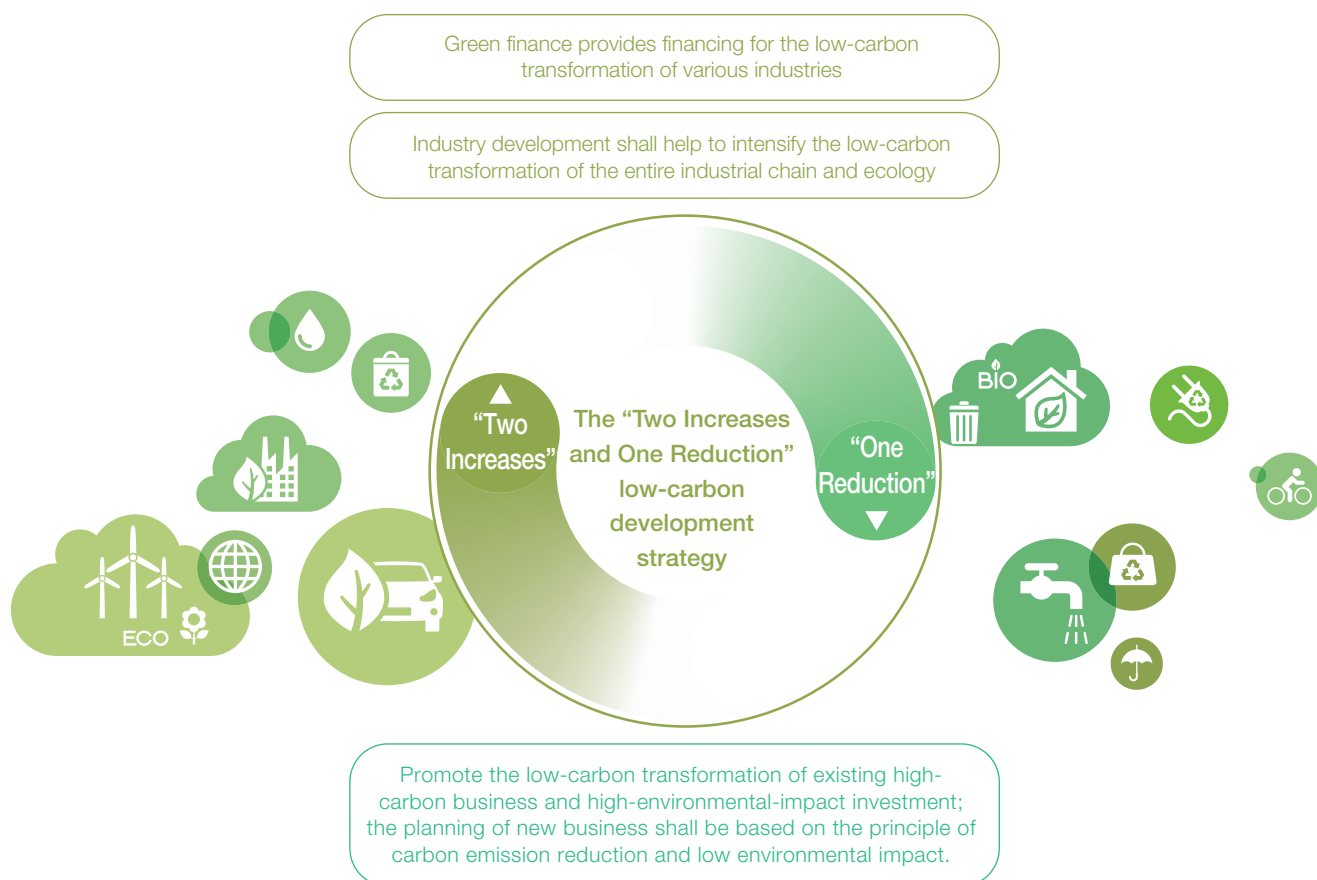
### New Urbanisation

#### CITIC Construction

With the senior management as the decision-making body, CITIC Construction established an environmental management system that covers all operating entities and business partners, formulated and released the *Quality, Environment, Occupational Health and Safety Management Manual*, consolidated the environmental management policy and management objectives, and ensured that environmental management activities were carried out throughout the entire execution process of the project.

## Environmental Impact Management

CITIC Limited attaches importance to the environmental impacts of our daily operations. Guided by the low-carbon development strategy of “Two Increases and One Reduction,” we identify and evaluate environmental risk factors at the source and comprehensively apply measures such as environmental risk classification and control to prevent, respond to and manage environment-related risks with precision. As a result, we are able to strengthen our environmental risk management and compliance management while also better covering environmental advantages in addition to economic and social benefits.



### CITIC Bank

CITIC Bank has formulated the *Management Measures for Environmental and Social Risk Classification of CITIC Bank* that defines the environment and social risk classification for clients and credit process. It divides up clients into three types (type A, type B and type C) and applies different client management measures in accordance with the severity of their impact of operation on the environment and society. As part of our pre-loan evaluation procedures, it conducts thorough investigations tailored to the industry and region of each potential borrower. Applicants that fail to meet its environmental and social risk management standards are excluded from loan approval. As part of our post-loan monitoring procedures, it continues to monitor borrowers with potentially significant environmental or social risks after loan approval. It develops and implements targeted risk management plans that focus on verifying a borrower’s implementation of their environmental and social risk management systems and response plans.

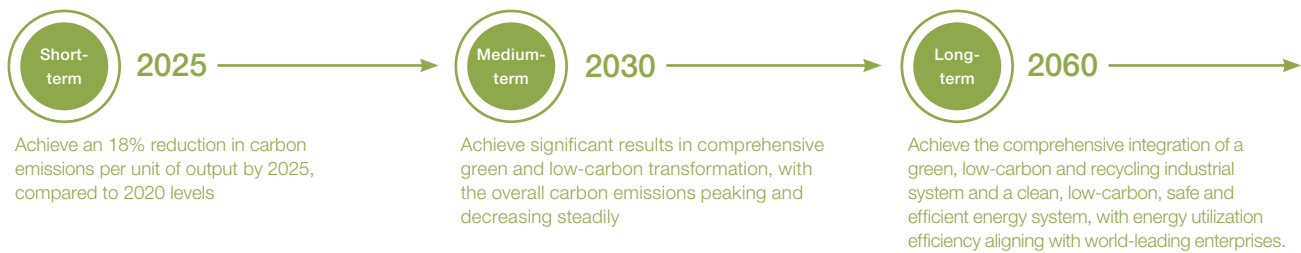
### CITIC Urban Development & Operation

CITIC Urban Development & Operation strictly implements environmental impact assessment and environmental acceptance check procedures to gauge potential environmental impacts arising from the projects, and ensures that the projects comply with environmental policies and standards. It ensured soil and water conservation measures are implemented during construction, engaged professional organizations to monitor soil and water conservation status and dynamic soil erosion data of the project area during the construction process, and adopted scientific measures to timely and effectively ratify any soil and water conservation due to the projects.

## Working to Achieve the “Dual Carbon” Targets

In response to the national “Dual Carbon” targets, CITIC Limited strives to promote green and low-carbon transformation. We conducted annual carbon emission verification for our five business sectors and relevant subsidiaries in order to provide scientific guidance to the implementation of the carbon neutrality target. In 2023, we issued the *Guiding Opinions on Contribution to the Achievement of “Dual Carbon Goals” and the Development of Green Industries*. We have integrated the goals of carbon peaking and carbon neutrality into our medium and long-term development plans and formulated a green businesses and investment negative list. We are committed to promoting our overall green and low-carbon transformation and development.

### CITIC “Carbon Neutrality” Target



### CITIC Carbon Neutrality Pathway

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

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

## “Dual Carbon” Action Plans of Selected Subsidiaries

### CITIC Securities

CITIC Securities will gradually replace traditional electricity consumption by purchasing clean energy. It pledges to achieve 100% clean energy consumption by 2030 in its headquarters building in Beijing.

### CITIC Heye

CITIC Heye will strive to achieve carbon neutrality in CITIC Tower by 2050 through refined energy management, energy-saving renovation, demand-side reduction, increasing the proportion of directly purchased green power, energy substitution, and bio-carbon sequestration.

### CITIC Pacific Special Steel

For the period from 2021 to 2025, it is committed to achieving a comprehensive energy consumption of 535 kg of standard coal/tonne of steel, and in general achieving the energy consumption benchmarking value of its main production processes. It pledges to realize carbon peaking by 2030. In order to achieve carbon neutrality by 2060, it plans to attain the technical ability to reduce carbon emissions by 20% in 2035.

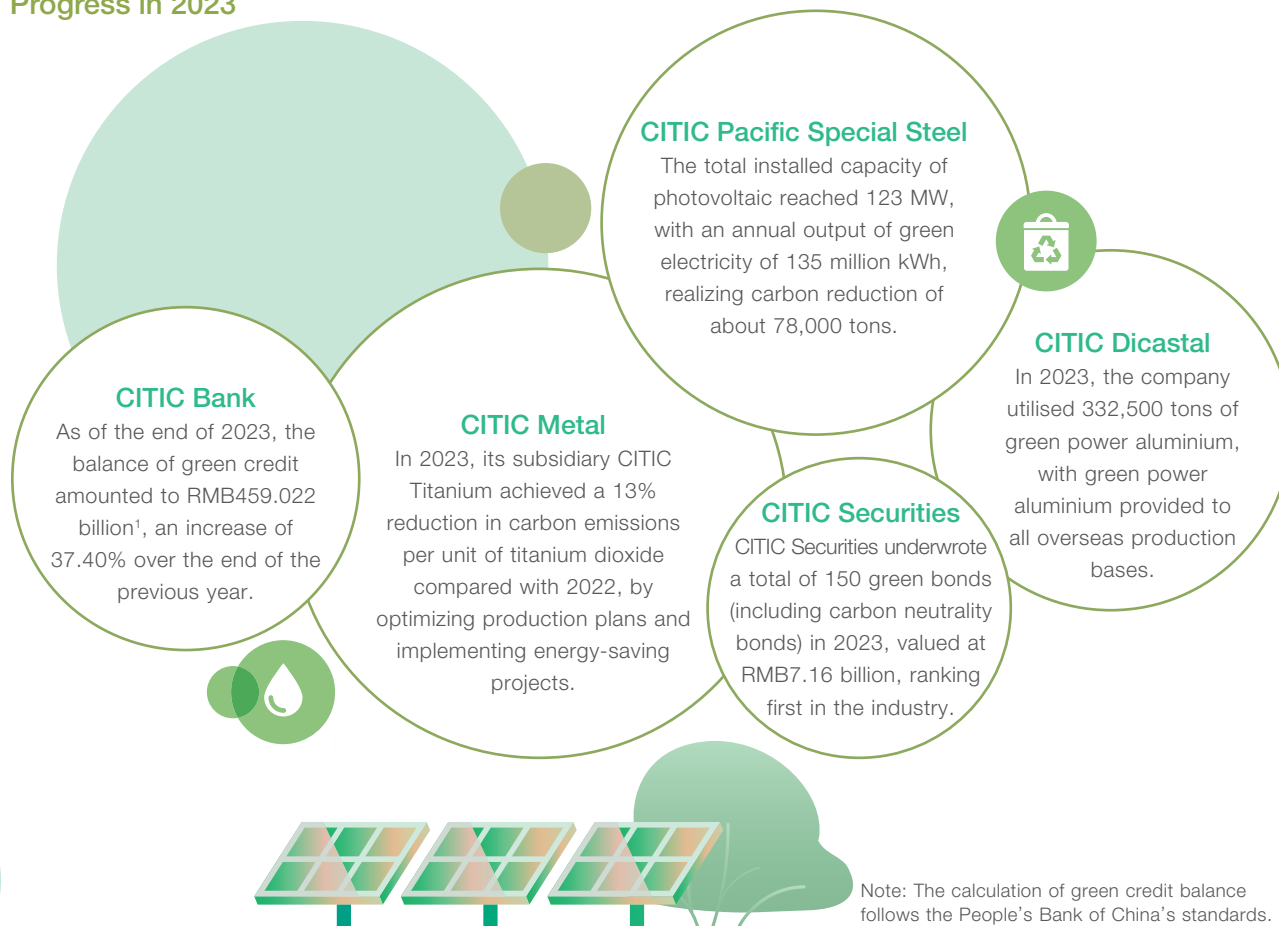
### CITIC Pacific Energy

By 2025, it will strive to have 1,500 MW of installed wind power capacity and 1,500 MW of installed photovoltaic power capacity. Its subsidiary thermal power enterprises will steadily reduce carbon dioxide emissions by 2025, with unit emissions intensity reduced to below 0.835 tons/MWh.

### CITIC Metal

During the “14th Five-Year Plan” period, its subsidiary CITIC Titanium has been implementing the requirements of “Carbon Peaking and Carbon Neutrality” through energy-saving and optimization of key equipment, utilisation of waste heat, process optimization, recycling, photovoltaic power generation and other energy-saving and carbon-reducing measures to achieve the target of 8% reduction of comprehensive energy consumption per unit of product.

## Progress in 2023



Attaching great importance to the measurement and disclosure of information related to carbon emissions, CITIC Limited continues to prepare and optimize the “dual-carbon” profit and loss account as a dynamic management tool for achieving the carbon neutrality target, to ensure traceability, accountability and evaluability of its “dual-carbon” strategy. We have, for the second consecutive year, released the *CITIC White Paper for Carbon Peaking and Carbon Neutrality Actions* to disclose our carbon emission reduction initiatives and contributions.

### Case We design and utilise the Carbon Profit and Loss Statement as our Fourth Corporate Statement

In 2023, we further optimized the compilation of our carbon profit and loss statement, conducted various forms of carbon monetization, conducted cost-benefit analyses of different energy transition goals and paths under a unified measurement standard. By doing so, we strived to measure the economic benefits generated by real carbon emissions in terms of inputs and outputs, and corporate benefits generated by real carbon emissions in terms of revenues and costs. In alignment with international standards, we distinguished between carbon profit and loss at organizational boundaries (categories 1 and 2) and across the upstream and downstream of the industrial chain (categories 3-6). We also integrated and referred to a variety of domestic and international trading mechanisms to design comprehensive emission reduction account categories, further expanding the scope of application of the carbon profit and loss statement.

### Case Scientific measurement of product carbon footprint to help create green products

We actively carry out carbon footprint verification and certification, and manage carbon emissions throughout the entire life cycle of product production, distribution, consumption and recycle.

- CITIC Dicastal engaged a third-party company to carry out carbon footprint verification of its headquarter and a key product. A greenhouse gas emissions verification report and a product carbon footprint verification report were issued to thoroughly assess the emission reduction achievements and potential opportunities, supporting the formulation of a more effective emission reduction strategy.
- CITIC Pacific Special Steel established a multi-dimensional carbon evaluation system for the entire product life cycle, including “mine-coke-iron-steel-material”, and completed the carbon footprint verification of four major bearing products in seven different processing technologies.



## Case The Eco Reliable “Dual Carbon” Digital Management System

The Eco Reliable “Dual Carbon” Digital Management System was developed under the leadership of CITIC Holdings. It passed the product conformity assessment conducted by China Classification Society (CCS) and received a Certificate of Conformity and the functional and carbon footprint accounting certificate of conformity by Det Norske Veritas (DNV).

The Eco Reliable “Dual Carbon” Digital Management System follows the national regulatory requirements for carbon emissions and is embedded with national corporate greenhouse gas emission accounting approach and other domestic and international mainstream approach bases and modular life cycle models. Whilst helping enterprises to calculate carbon emissions and to conduct carbon management, it enables enterprises to meet ESG regulatory requirements and maximize the financial value of carbon assets. It helps enterprises to map the carbon footprint of the entire product life cycle and manage all kinds of low-carbon resources deriving from the process, in order to meet the requirements of carbon footprint audits or carbon tariff certification of exported products. In addition, the system, based on the governing industry accounting standards, directly delivers relevant information to a number of third-party certification agencies to accelerate carbon certification, assist in emission reduction management, optimize decision-making in carbon trading, and support carbon trading forecasts and recommendations based on carbon pricing models. As of the end of 2023, the system

has been successfully applied to CITIC Dicastal, CITIC Pacific Special Steel, China International Marine Containers, Taiyuan Heavy Machinery Group, China Telecom and other leading companies.

CITIC Holdings has established a long-term strategic partnership on carbon service technology with CCS. The two will provide clients with one-stop carbon neutral solutions ranging from carbon accounting, carbon management analysis, carbon ledger and carbon asset management, carbon training, carbon inventory verification, product carbon footprint to roadmap to carbon neutrality planning and certification.



On October 20, 2023, the third “Caijing Forum of Carbon Neutrality cum Press Conference of Carbon Emission Ranking of Listed Companies” was held by *Caijing* Magazine in Beijing. Mr. Liang Huijiang, Chief Investment Officer of CITIC Limited, attended the forum and delivered a keynote speech titled “Strategic Targets to Actions”.



# Continuous Development of Green Industry

In response to the requirements of CITIC Limited's *Guiding Opinions on Contribution to the Achievement of "Dual Carbon Goals" and the Development of Green Industries*, each business sector will actively integrate into the green and low-carbon transformation of the global industrial chain and assist in realizing the "Dual Carbon" goals by amplifying the low-carbon effect of the industrial chain and ecosystem.

## Green Technology Innovation

Focusing on the key areas of green and low-carbon development, CITIC Limited continues to enhance green technology innovation in terms of strategic and cutting-edge technologies. Through initiatives like the CITIC Dual Carbon Technology Innovation Initiative, we are exploring low-carbon production and green manufacturing technologies, processes, and models. In 2023, we actively seized the green development opportunities in various key technologies, including carbon and pollutant emission reduction, environmental-friendly water treatment services, resource recycling, and energy efficiency.

By the end of 2023, CITIC Limited had launched four technological innovation projects aimed to support the "dual carbon" targets. In the area of green and low-carbon manufacturing, CITIC Dicastal is pioneering a low-carbon manufacturing process for aluminium car parts that consider the entire product lifecycle. It has built a carbon footprint management platform and a comprehensive energy management and control system for the project. CITIC Dicastal was recognized for its outstanding green supply chain management practices by the Ministry of Industry and Information



### Further reduce carbon and pollutant emissions

#### CITIC Pacific Special Steel

CITIC Pacific Special Steel carried out a green and low-carbon transformation of 168 ring furnaces at its Tianjin Steel Pipe Factory. The transformation project focused on the application of pure oxygen combustion technology, and integrated other carbon reduction measures including oxy-fuel combustion, high-quality heat source, emission reduction, etc., to form a unique oxy-fuel combustion control process bundle, which can reduce the annual natural gas consumption by 37%, and the total annual nitrogen oxides emissions by about 7.5%.



### Resource recycling

#### CITIC Dicastal

Focusing on the whole life cycle technology of low-carbon emission automotive aluminium alloy component manufacturing, CITIC Dicastal built a green and low-carbon technology chain covering the development, research and batch application of recycled aluminium, transferring molten aluminium, the improvement of casting efficiency, etc.. By the end of 2023, it had utilised a total of 11,636 tons of recycled aluminium.

Technology in 2023. It is also actively pushing forward to build solar power stations and develop water-cooled heat pumps using magnetic levitation technology, as well as shape the future of the industry by participating in the formulation of *Standards for Process Design of Recycled Aluminium Plants*. CITIC Environment's research project, "Development of a Comprehensive Technological Solution for Low-Carbon, Energy-Saving Buildings in Areas with Hot Summers and Cold Winters to Support the 'Dual Carbon' Targets," tackles the challenge of urban heat islands. The project has achieved breakthroughs in developing building envelopes and natural and hybrid ventilation solutions that are structurally sound and energy-efficient in hot summers and cold winters, as well as minimizing the impact of thermal bridges on energy consumption in buildings. These advancements are already being implemented in real-world applications, influencing architectural design and construction practices. CITIC Limited has also made steady progress in projects such as "New Process for Cleaner Production of Chromium Metal" and "Research and Application of a Complete Process for Efficient Recovery of Waste Heat in Vertical Sinter Coolers."



### Smart water treatment

#### CITIC Environment

CITIC Environment independently developed the CITIC Smart Water Cloud Platform based on the various technologies including Internet of Things, cloud computing and BIM to realize intelligent decision-making and precise adjustment of water operations. As a result, the intelligent water treatment plant can steadily perform water treatment that meets the quality requirements, with a reduction of 15% of electricity consumption and 12% of pharmaceutical consumption. The intelligent sensors can also monitor any changes of the plant in production, environment and other status, realizing remote, visual, digital and intelligent operation of the water plant.



### Energy efficiency improvement

#### CITIC Pacific Special Steel

CITIC Pacific Special Steel achieved product structure optimization, metallurgical process innovation and plant efficiency improvement via efforts across source energy loss reduction, process control and end treatment. By implementing an intelligent combustion control system renovation for heating furnace, it managed to save about 40 million cubic meters of blast furnace gas and 60 million cubic meters of mixed gas each year, achieving a total annual emission reduction of about 120,000 tons.



## Case **Stressing the importance of technology in exploring new environmental governance opportunities**

In 2023, CITIC Environment and Tsinghua University (School of Environment), through their co-founded Joint R&D Centre for Environmental Membrane Technology, carried out a major scientific project on the research, development and application of advanced membrane technology integration system for green, low-carbon and sustainable utilisation of water resources. The project seeks to develop advanced membrane materials and membrane modules, construct a green, low-carbon and high-quality water treatment membrane process, and create a comprehensive technology integration system covering R&D and technological application and demonstration of membrane water cleaning technology, as well as the recycle of used membrane filaments. In 2023, CITIC Environment successfully concluded its project of "Water Plant Whole Process Eco-friendly Water Purification Technology" and had it accepted by the Ministry of Housing and Urban-Rural Development of China. Its research project of "Enhanced Nitrogen and Phosphorus Removal Process and Application for Urban Wastewater Treatment Plants" was recognized by the appraisal panel to be a domestic-leading R&D achievement.

## Green and Clean Energy

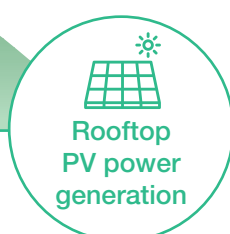
CITIC Limited proactively transformed from the control of total energy consumption and energy consumption intensity to the control of total carbon emissions and carbon intensity. While ensuring a safe and reliable supply of energy, we instilled the concepts of new energy and clean technology innovation into the strategy of relevant subsidiaries, continued to increase investment in clean technology, and vigorously developed and applied renewable energy sources such as wind power and solar power, to achieve clean, low-carbon and high-efficiency utilisation of energy.



Clean energy

### **CITIC Pacific Energy**

CITIC Pacific Energy stepped up new energy projects such as photovoltaic and wind power projects and the industrial chain project of clean and efficient coal utilisation in Xinjiang province. By the end of the 14th Five-Year Plan period, CITIC Pacific Energy plans to achieve the installed new energy capacity of 3 million kilowatts. As of the end of 2023, it has completed a total of 71 new energy projects. In 2023, the company's new energy business generated an operating income of RMB180.91 million, with the wind and solar new energy power generation capacity reached 427 million kilowatt hours, an increase of 200% year on year.



Rooftop  
PV power  
generation

### **CITIC Pacific Special Steel**

Taking advantage of the factory's rooftop space, CITIC Pacific Special Steel has been promoting rooftop photovoltaic power generation projects. By the end of 2023, the total installed PV capacity reached 123 MW, with an annual output of 135 million kilowatt hours of green electricity and a carbon emission reduction of 78,000 tons.

### **CITIC Dicastal**

CITIC Dicastal set up distributed rooftop photovoltaic power stations at the CITIC Dicastal Industrial Park and the facilities of Ningbo Dicastal to generate a total annual power capacity of more than 6 million kilowatt hours for the company's own consumption.

### **CITIC Pacific Mining**

CITIC Pacific Mining installed 18 sets of 1,600-watt solar panels and energy storage battery systems on tailings dams. For the first time, it installed renewable energy power generation equipment to light up the mine's security kiosks.



#### Green power trading

##### CITIC Pacific Energy

CITIC Pacific Energy utilised in-house green power resources and expanded into the trading of green power and green certificates. In 2023, it entered into annual power trading contracts with a number of power trading companies (excluding its own power trading companies) and concluded transactions totaling 10 million kilowatt hours of green power.

##### CITIC Dicastal

In 2023, CITIC Dicastal purchased 84.80 million kilowatt hours of green power, reduced carbon dioxide emissions by 75,000 tons and obtained traceable green power certificates issued by third-party assessors. Its No. 6 production line achieved 100% usage of green power, becoming the world's only lighthouse factory in the manufacturing of aluminium wheels.



#### Develop energy storage technologies

##### CITIC Heavy Industry

CITIC Heavy Industry carried out research on new energy equipment and energy storage technology, with a focus on high energy storage and transformer system; and researched on key wind power technologies including wind farms, gearboxes, generators, etc. and large-scale key equipment for wind turbine towers and piles.

##### CITIC Heye

On the roof of the CITIC Tower, CITIC Heye set up a photovoltaic power generation system with a capacity of 92.8 kilowatt hours, together with a battery energy storage system to reduce the peak load and enhance system resilience.

## Green Low Carbon Products

CITIC Limited is dedicated to the R&D and promotion of high-quality low-carbon products, the full expansion of relevant business, and the construction of green industrial chains with upstream/downstream partner-enterprises in order to minimize environmental impact in its overall value chain.



### CITIC Holdings

Using intelligent industrial technologies, CITIC Holdings created an industrial-chain-level carbon footprint platform and a group-level carbon management platform that have been adopted and further disseminated by many enterprises, to meet the low-carbon transformation demands in different industries. The refined carbon management platform developed for the special steel industry performs accurate real-time carbon emission calculation and footprint mapping and conducts carbon forecasts for customised orders, helping enterprises achieve a 10.5% reduction in carbon emissions per ton of steel production and an 89% increase in carbon inventory efficiency.



### CITIC Metal Holdings under CITIC Metal

CITIC Metal Holdings under CITIC Metal Group established an industry chain cooperation and service platform to carry out R&D and application of niobium-containing high-strength steels and other niobium-containing advanced materials, featuring green and low-carbon achievements including optimised production processes and improved steel grades. It is estimated that the application of high-strength niobium-containing steels may lead to a reduction of about 10% of low-strength steel consumption. Applying this estimation to China's annual niobium-containing steel production in 2022 (about 90 million tons), it may have helped to achieve a significant reduction of 9 million tons of steel consumption, and to reduce CO<sub>2</sub> emissions by about 18 million tons in the steel production process.



### CITIC Dicastal

In 2023, it focused on the application of low-carbon raw materials and actively expanded the supply chain of green electrolytic aluminium. 50% of its production lines in the Chinese mainland and 100% of its production bases overseas are provided with qualified green electrolytic aluminium resources respectively. Company wise, the annual green electrolytic aluminium usage amounted to 332,500 tons in 2023. The company has also been promoting massive usage of high proportion recycled aluminium, with the annual usage of recycled aluminium reached 11,636 tons in 2023.



### CITIC Urban Development & Operation

CITIC Urban Development & Operation promoted the clean, low-carbon and efficient use of energy through the development of renewable energy sources such as solar energy. Suppliers are required to adopt environmentally friendly production methods and materials to minimize the negative impact on the environment. Endorsed by green building certifications, the company ensured its meet the standards of energy saving, environmental protection and low carbon.

# Innovative Green Financial Services

Green finance serves as an indispensable support to green development. Acting in tandem with the latest industrial policies and market demands, CITIC Limited grasps the historical opportunity of economic and social green transformation and strives to become a leader in green finance by innovating green financial products, improving green financial service capacity, optimizing the long-term mechanism of financial support for green economic development, and increasing the proportion of green-industrial related transactions in its entire financial business, so as to contribute to the green and high-quality development of the economy and society in all aspects.

## Promoting ESG Integration of Businesses

We take the initiative to integrate environmental and social standards into our investment and financing business processes, identify and evaluate the sustainable development capability and social responsibility fulfilment of investment targets, build a decision-making process and comprehensive risk management system with ESG as an important pillar, enhance the positive impact of investment and financing activities, and explore new pathways to boost green development with ESG related work.

### CITIC Bank

It has been pioneering a dynamic and customizable ESG rating system for our corporate customers, powered by cutting-edge technologies like AI and blockchain. This system offers fresh insights to support risk management and business review. It considers both international best practices and specific Chinese contexts, evaluating companies across key ESG areas: natural resource management, green product development opportunities, green supply chain practices, human resources management, risk management, and compliance. The system automatically generates ESG ratings and continuously adjusts them based on up-to-date ESG information.

### CSC Financial

In the asset management business, it adopts an ESG integration strategy to select a group of ESG investment targets, and conducts preliminary screening in accordance with ESG-related guidelines for the corresponding industries, and a further screening in accordance with the targets' corporate governance capability, social responsibility and other ESG-related factors. As of the end of 2023, its asset management department invested about RMB94.649 billion in ESG-themed bonds, and about RMB3.445 billion in ESG-themed stock.

### CITIC Securities

The company formulated responsible investment strategies and processes and conducted qualitative or quantitative analyses (including ESG factors) of strategically held investment targets. As of the end of 2023, it invested a total of RMB42.297 billion in green bonds and rural revitalisation bonds in its own asset management portfolio, representing an increase of 10.61% year over year. Its professional in-house ESG research team released a total of 38 ESG-related research reports in 2023 and provided ESG sharing and training sessions to nearly 200 listed companies.



CITIC Securities invested a total of RMB **42.297** billion in green bonds and rural revitalisation bonds in its own asset management portfolio

## Diversifying Green Financing Products

At CITIC Limited, we continue to expand and diversify our green financing product lineup. CITIC Bank spearheads our green finance initiatives. It has launched the CITIC Bank Green Financial Service Program, collaborating with our other financial subsidiaries to offer a comprehensive suite of green financial solutions, including green credit, green bonds, green funds, green financial management products, green leasing, green consumption services, and green consulting, and build a "1+N+N" green financial product system and a comprehensive green financial service ecosystem to support the green and low-carbon economic and social transformation.

### CITIC Bank

- Giving full play to the professional capacity of product design, the Bank actively innovates financial products, and delivers the concept of green and low-carbon development to clients. In 2023, it issued a total of 191 structured deposit products linked to green financial bonds, raising a total of RMB108.385 billion.
- It responded to the national call to enhance financial support for the new energy vehicles and continued to increase resource support and service innovation in the sector. In 2023, it released RMB8.687 billion in new energy vehicle loans.

### CITIC Trust

In 2023, CITIC Trust successfully launched a number of green finance-related trust projects, raising more than RMB10 billion. The funds raised are used to support various projects including the greening and intelligent transformation and upgrading of the iron and steel industry, the construction of new power generation projects including wind and photovoltaic power; supporting the development of energy-saving and environmental protection enterprises in wind power, solid waste treatment, biomass power generation and water treatment, and the construction of clean energy infrastructures.

## Case CITIC Carbon Account helps customers to live a green life

CITIC Carbon Account is the first bank-led personal emission reduction account in China. Since its launch, this platform has undergone continuous improvements to be more inclusive. Anyone can now easily create an account and access the platform's features. The platform has made significant strides in promoting greener consumption habits by offering a comprehensive carbon reduction accounting system that encompasses 13 financial and low-carbon consumption scenarios. By the end of 2023, the number of CITIC Carbon Account users had exceeded 8 million, with a cumulative carbon dioxide emission reduction of more than 10,000 tons, and it was named the 2023 ESG Finance Model Case of the year in 2023 among other awards. In 2023, CITIC Bank, together with China UnionPay, launched the industry's first Carbon Account Interoperability System, connecting the CITIC Carbon Account and China UnionPay Low Carbon Programme. This is the first time that the interoperability and mutual recognition of carbon accounts in the financial sector has been realized.



## Supporting the Development of Carbon Market

We actively support the development of a national market for trading carbon emissions, participate in creating and promoting carbon financial products and services, and contribute to controlling and reducing greenhouse gas emissions by leveraging market mechanisms and facilitating green development.

Meanwhile, Some subsidiaries, such as Jiangsu Ligang Power Co., Ltd. and Jiangsu Ligang Power Generation Co., Ltd. under CITIC Pacific Energy, and CITIC Jinzhou Metals Co., Ltd. (self-provisioned power plant) under CITIC Metals were included in the national and local carbon markets, all submitted carbon emission reports in accordance with the timeline stipulated by the competent authorities and completed the quota clearance during the compliance period. Among them: CITIC Jinzhou Metal, a subsidiary of CITIC Metal, purchased 27,757 tons of carbon allowances in the trading market in 2023, and achieved carbon compliance in 2021 and 2022 on schedule.



CITIC Jinzhou Metal, a subsidiary of CITIC Metal,

purchased **27,757** tons of carbon allowances in the trading market in 2023, and achieved carbon compliance in 2021 and 2022 on schedule.

### CITIC Securities

CITIC Securities continues to improve the Carbon Trading and Carbon Financial Services system. It has set up a dedicated carbon trading team, providing enterprises with services such as carbon trading, carbon buyback, carbon emission reduction cooperation, carbon offsetting, carbon support, etc. By doing so, CITIC Securities helps high-emission enterprises in the carbon market to gauge their carbon inventory, reduce compliance costs, and revitalise their carbon assets; whilst it helps emission reduction project owners to register project emission reductions and turn reductions into financial benefits. In 2023, the Carbon Trading and Carbon Financial Services system of CITIC Securities won the "Global Green Finance Award – Innovation Award" of the International Finance Forum.

### CSC Financial

CSC Financial continues to promote carbon financing businesses. In June and August 2023, it completed its first carbon quota transaction and carbon quota forward transaction at the Shanghai Environment and Energy Exchange. The company participated in the first simulation trading competition of national carbon market and won the Active Contributing Organization Award.

# Promoting Green and Low-Carbon Operations

We are committed to integrating green practices across all our business lines and operations. This includes tracking our environmental impact throughout our operations, expanding our presence in key areas like energy management, water resource management, and waste management, to reduce environmental impacts generated by production, offices, and other operations, while striving to achieve a win-win situation in terms of economic and environmental benefits.

## Green Production

At CITIC, we strictly follow the national *Law on the Prevention and Control of Atmospheric Pollution*, *Law on the Prevention and Control of Water Pollution*, *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and other laws and regulations. We continue to practice the concept of full life cycle management of “at-source prevention, process control, end treatment, and comprehensive utilisation” to reduce environmental impact in the whole production and operation process, to promote high-quality development through clean production, and to achieve the synergistic effect of pollution reduction and carbon reduction. During the reporting period, we have not been involved in any lawsuits or penalties due to environmental violations.



### Air pollutant emissions reduction

#### ● CITIC Pacific Energy

CITIC Pacific Energy launched the Jiangyin Lidian Phase V Expansion Project, with plans to build two 1,000 MW high-efficiency clean coal-fired generation units. Equipped with world leading ultra-supercritical secondary reheat units, the project can reduce carbon emissions by 20% and flue gas emissions by more than 20% whilst generating the same level of electricity.

#### ● CITIC Environment

CITIC Environment: completed an overall iterative upgrading of Jiangsu Memstar’s heating boiler which led to a 20% increase in thermal efficiency and a reduction in NOx emission concentration of more than 82%.



### Wastewater treatment and reuse

#### ● CITIC Dicastal

CITIC Dicastal launched a reclaimed water reuse project at the sewage treatment plant of the industrial park. In 2023, the company completed two test sessions, meeting the target of 50% reuse of reclaimed water. During the year, the nanofiltration system had processed a total of 11,738 tons of reclaimed water with the reclaimed water body meeting all quality requirements for reuse and supplied into the reclaimed water tank.



### Turn waste into a resource

#### ● CITIC Construction

CITIC Construction conducted secondary utilisation of recyclable construction waste including rebar, concrete and cement bags to improve resource recycling and utilisation. Benches and hooks were made from used rebars, dunnage materials were made from leftover concrete.

#### ● CITIC Heavy

CITIC Heavy Industries researched into the technology of and equipment of slag and steel slag grinding, to effectively turn metal waste into a resource.



### Packaging reduction and recycling

#### ● CITIC Pacific Mining

CITIC Pacific Mining developed and implemented product packaging and shipment package standards, adopted a considerable amount of recyclable packaging and transportation materials in bulk purchases, and returned recyclable materials to suppliers on a regular basis, so as to reduce transportation costs across the industrial chain and the amount of waste generated from packaging.

#### ● Dah Chong Hong

Dah Chong Hong cut down unnecessary packaging, minimized paper documentation, recycled and reused packaging materials as far as possible, actively participating in the “Local Industrial and Commercial Waste Plastic Recycling Efficiency Enhancement Pilot Program” funded by the Hong Kong Recycling Fund, to recycle LDPE wrap, bubble wrap, plastic bags and other plastic packaging materials.



## Green Office

We incorporate environmental protection and energy-saving concepts into the entire process of the design, construction, operation, and maintenance of our buildings in order to create a comfortable, green, smart, and energy-saving office environment. We advocate the spirit of conservation and encourage our staff to save water, electricity, energy, and office supplies. Moreover, we promote paperless operations, green travel, energy-saving, and emissions reductions to protect our mother nature.

### Green workplace

- With the integrated energy management system, we conducted an upgrading of the energy-consuming equipment in CITIC Tower (Beijing), refined the control strategy of the cooling tower, tuned and tested the comprehensive energy-efficiency program of the air-conditioning system, and optimise the lighting control strategy.
- We adopted a wide range of resource conservation measures including photovoltaic power generation, waste heat recovery and rainwater recycling. We organized carbon neutrality related publicity activities on a regular basis to instill the concept of energy saving into our employees.
- Since the inauguration in August 2020, CITIC Tower (Beijing) has seen an 11.2% decrease in electricity consumption per unit area and a 15.4% decrease in carbon emission intensity. We have recycled a total of 3.2 tons of waste plastics, 20 tons of waste paper, and 2.4 tons of waste metals.



### Green meetings

- We promoted shared and online offices, launched pilot shared offices and actively encouraged online office and online conference to reduce energy consumption.

### Green catering

- The Beijing headquarter cafeteria kept a close monitoring of the number of dinners to accurately control the amount of food supply. It also optimized the food preparation process to maximize food output and minimize preparation waste.
- We promoted simple meals and standardized diets by providing food in small portions and assorted food platters to encourage dinners to only take what they need.
- We urged dinners to take away leftovers and discouraged food wastage by setting up reminders and have designated staff to stop food dumping.
- On a regular basis, we launched campaigns and publicity activities to promote the concepts of scientific and healthy diets and anti-food-wastage.

# Actively Responding to Climate Change

In response to the national “30-60” decarbonization goals, CITIC Limited actively carries out the “dual-carbon” management work. Referring to the *Recommendations of the Task Force on Climate-Related Financial Disclosures* issued by the TCFD and the relevant documents of the International Sustainability Standards Board (ISSB), we focus on the identification and assessment of climate change risks in five sectors to make our business more in line with the principle of sustainable development, enhance our resilience to climate change, and mitigate and adapt to global climate change.

## The financial sector

### CITIC Bank

In 2023, CITIC Bank conducted climate stress tests for its corporate banking business. These tests used data at the end of Q3 2023 as a baseline to evaluate the potential impact of the different transition scenarios of the bank’s corporate banking business on the bank’s asset quality by 2030.

The results indicate that a delayed transition to a net-zero model could result in the lowest default rate. Conversely, the Divergent Net Zero scenario could lead to the highest default rate. Among hot house world scenarios, the NDCs scenario is likely to pose a greater risk to asset quality compared to the Business-as-usual scenario. Among disorderly scenarios, the Divergent Net Zero scenario would pose a greater risk to asset quality compared to a delayed transition. Overall, the results suggest that climate change risks on credit quality are manageable by 2030.

### CITIC Securities

Referring to the disclosure framework of the Task Force on Climate-related Financial Disclosure (TCFD), CITIC Securities identified and assessed the potential impact of climate-related risk factors on the company and followed up with relevant actions.

## The industrial sector

### CITIC Pacific Mining

Considering the world’s mainstream climate disclosure standards, CITIC Pacific Mining set up its own climate risk management and control programs covering “dual-carbon” governance, risk management, emission reduction strategies, targets and indicators, to effectively identify climate-related risks and opportunities.

### CITIC Resources

CITIC Resources identified and evaluated physical and transition risks associated with climate change, addressed risks closely related to the operations of the company’s oilfields, and formulated response strategies and measures accordingly to enhance its ability to deal with climate change.

### CITIC Pacific Energy

CITIC Pacific Energy identified risks and opportunities related to climate change in consideration of the nature of the energy industry; launched a Smart Anomalous Weather Warning System on the company’s digital platform to strengthen its emergency response capability towards extreme weather events; concluded a strategic cooperation agreement with the Public Meteorological Service Centre of the China Meteorological Administration (CMA) to make use of the latter’s meteorological data and monitoring technology in support of the company’s meteorological early warning, as well as the operation and maintenance of its new energy facilities.



# Contributing to the Construction of Ecological Civilization

Staying true to the concept of ecological civilization, namely to respect, adapt to and protect nature, CITIC Limited actively promotes green environmental protection concepts and knowledge and puts them into practice, to safeguard the harmonious coexistence of human beings and the nature.

## Contributing to Watershed Ecological Protection

Water is the source of life, the key to production and the pillar of our ecosystem. Relying on our wholly-owned subsidiary CITIC Environment, we strive to build a flagship platform for social responsibility and environmental protection. With water treatment and utilisation, water environment governance, environmental protection equipment manufacturing, and green industrial services continuing to be the focuses, CITIC Environment strives to promote the comprehensive, coordinated and sustainable development of the economic society and ecology in the river basin.

### The Yellow River Basin

Constructed by CITIC Environment, the Qilihe Anning Wastewater Treatment Plant project in Lanzhou, Gansu Province, completed its trial operation in August 2023. It is the largest fully buried wastewater treatment plant in Northwest China. A daily wastewater treatment capacity of 300,000 tons with the output water quality meeting Class I-A standard, the plant helps to effectively reduce pollutant discharges and improve the local water environment. The ground part of the plant serves as a sports and leisure park themed “Flowers of the Silk Road”, adding to the unique local landscape whilst contributing to the harmonious human-nature bond in the community.

### The Pearl River Basin

Commissioned by the Central & Southern China Municipal Engineering Design and Research Institute of CITIC Environment, Phase II of the Shenzhen Futian Water Purification Plant, which is the largest semi-underground water quality purification plant in Asia, started construction in 2023. Upon completion, the project is expected to process 700,000 cubic meters of wastewater per day, with a design water reclamation capacity of 70,000 cubic meters per day.

### The Yangtze River Basin

Seeking to safeguard the water security of Southern Wuhan, the discharge of processed water into the Yangtze River in Wuhan completed the second phase of the program's core project – the Jiangxia Sewage Treatment Plant, in the summer of 2023. CITIC Environment applied its self-developed BIM construction management platform throughout the construction of the project and provided digital applications covering the whole process of engineering design, construction, operation and maintenance. As a result, the project reduced electricity consumption by 15%, making it a model project in the protection of the Yangtze River and people's livelihoods.

### Overseas

We undertook the construction of the KBM oilfield re-injection water project in Kazakhstan, with a daily production capacity of 17,000 tons of water. Water extracted from the oilfield will go through an in-depth filtration process and be recycled as a source of boiler feed water required for oilfield steam extraction, alleviating the reliance of the local community on the water from the Volga River upstream, and easing the water shortage caused by the oilfields.



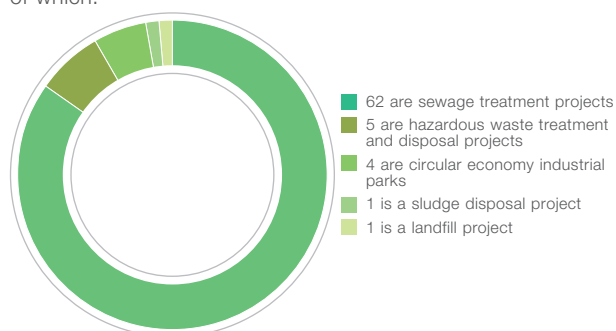
CITIC Construction protects wildlife migration by allocating animal passage culverts



CITIC Pacific Mining conducts environmental impact inspections in areas surrounding the project site

## Ecological conservation achievements of CITIC Environment

77 environmental protection municipal projects are under construction, 72 are run and managed by CITIC Environment, of which:



Total achievements in 2023:

**537** million cubic meters of sewage were handled

**32.43** million cubic meters of reclaimed water were supplied

**206,400** tons of sludge were disposed

**10.91** tons of solid waste were sent to landfill

## Biodiversity Conservation

In the course of business operations, we strictly abide by the *Environmental Protection Law of the People's Republic of China* and the *United Nations Convention on Biological Diversity*. We require all subsidiaries to strictly avoid ecological conservation red line areas in their operations, and to protect wild animals and plants, including their habitats and passages.

### CITIC Bank

CITIC Bank's *Credit Policy 2023* actively encourages participation in major biodiversity projects and emphasises strict adherence to ecological reserve regulations throughout the credit issuance process. It requires the outlets to continuously monitor potential biodiversity impacts during project construction and actively promote ecological awareness.

### CITIC Construction

The company continues to take the surrounding ecological environment into consideration. In particular, it identifies key protected plants and animals and set up wildlife passages in key areas for wildlife to travel freely on both sides of the highway, to enable animal migration and population viability. Meanwhile, it takes full account of environmental factors when designing lighting of the project sites and accommodation areas, to minimize the impact of possible light pollution on birds. Any necessary temporary occupation of vegetated areas and felling or relocation of trees are subject to advance approval, and requires timely restoration to ensure effective protection of the ecological environment and biodiversity.



CITIC Construction carries out ecological restoration of land-based exploratory pits

### CITIC Pacific Special Steel

The company strictly abides by the *Law of the People's Republic of China on Evaluation of Environmental Effects* and other related laws and regulations to ensure that its new projects are located far away from nature reserves. It ensure the strict control on pollutant discharge, air quality, water quality and noise levels within the factory to avoid adverse impact on wildlife and the ecological environment. Sika deer, peacocks, swans and other animals are raised in the small zoos of the factories, cohabiting with wild animals.

### CITIC Pacific Mining

In strict compliance with environmental regulations, the company continuously monitors and assesses the impact of production and operations on the environment of the project sites, and submits relevant environmental assessment reports to the Australian environmental authorities in a timely manner. In 2023, the company's environmental management department published 12 environmental bulletins to raise environmental awareness and promote relevant knowledge amongst employees. The bulletins provide a wealth of information, including observations on the migration of whales in the site waters, cooperative projects with scientific research institutes, prevention and control of invasive species, and protection of the local ecological environment.



Staff of CITIC Pacific Mining observe whale migration in Cape Preston

## Promoting Green and Environmental Protection Concepts

CITIC Limited actively delivers environmental protection messages to stakeholders, strengthens the awareness of employees and the public of environmental protection, and helps to promote building a better homeland by carrying out training, emergency drills and other activities to make environmental protection awareness take root.



### CITIC Pacific

In line with the company's operational strategy, it encouraged business segments to formulate operational strategies with the goal of sustainable development. In 2023, a total of seven ESG-related employee training courses were rolled out, covering topics such as ESG risks, green buildings, enterprises and climate change, and domestic and international carbon markets and investments, recording a total number of 7,786 training attendances.

### CITIC Dicastal

CITIC Dicastal conducted three emergency drills on waste gas, wastewater, and hazardous waste environmental emergencies to improve employees' awareness of environmental protection and safety, as well as emergency response capability.



### CITIC Heye

CITIC Heye hosted a seminar themed "Keeping the Green Future – CITIC Tower Zero-Waste Discovery Journey" at the company's super-high-rise landmark building CITIC Tower (Beijing), to share the company's experience in sustainable operations and running a zero-waste office. The company also unveiled an art wall named "The Human-Waste Coexistence Pathway", calling on its partners to build a zero-waste office and promote green development for a shared green future.



### Dah Chong Hong

Dah Chong Hong offered sustainable seafood products at Dah Chong Hong food outlets, contributing to the sustainable use of oceans and marine resources, and reducing damage to marine biodiversity. The products are sourced from certified, well-managed and well-regulated fisheries and farms.

### CITIC Telecom International

CITIC Telecom International organised more than ten activities and workshops on environmental protection, including the Red Packet Recycling Campaign, Earth Hour, Car Free Day Pledge, Hong Kong Green Day, Electronic Waste Recycling Campaign, etc., to raise awareness of environmental protection among staff and the public.



At CITIC Limited, we constantly diversify our environmental protection public welfare activities, and strive to engage more people in the cause of environmental protection. In 2023, we organized innovative online and offline voluntary tree-planting activities, with a total donation of more than RMB760,000, and approximately 39,000 trees planted. We did a good job in the management and care of 18,000 mu of protected forests in Huangyangtan, engaged in upgrading afforestation with 58,000 trees replanted.

## In China

### CITIC Environment

On “June 5 Environment Day”, CITIC Environment mobilized more than 30 domestic subsidiaries to organize the “River Health Checkup” environmental protection popularization activity. Joining hands with local environmental protection, education and other government agencies, it invited local primary and secondary school students to take water samples from local rivers to check the water quality, encouraging them to save and protect water resources and minimize wastage and travel in an eco-friendly manner.



## In Kazakhstan

### CITIC Resources

CITIC Resources organized many garbage collection activities in the KBM oilfield, inviting employee and students from local universities to clean up the beaches and neighbouring areas.



## In Australia

### CITIC Pacific Mining

CITIC Pacific Mining collaborated with the Western Australian Museum to provide logistical support for the museum’s excavation of ancient megafauna Diprotodon fossils near the company’s project site. It invited schoolchildren, Aboriginal groups, and local media to visit the excavation site, showcasing the company’s efforts to strengthen human-nature bonds.







## Responsibility to Clients

### Delivering Quality and Shared Value

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With a diversified business portfolio, CITIC Limited is able to provide customers with high-quality products and services in many fields of the financial and industrial sectors. Adhering to the philosophy of being customer-centred and working for the happiness of the people, we pursue excellence in staying trusted by our customers and continuously explore innovation in products, services, and business models to provide customers and consumers with high-quality products and services.





## Honours and Awards



CITIC Bank was recognized for its  
**Excellent Practice in Inclusive Banking**  
by China Banking Association



CITIC Bank's Sentinel Anti-Fraud System was selected as  
**a role model for consumer protection** in 2023 by the  
National Financial Regulatory Administration



CITIC Securities received the 2023  
**Contributor to High-Quality Development Award**  
from *Nanfang Daily*



CITIC Securities received the 2023 ESG Excellence  
Award and the 2023 **Securities Company**  
**Responsible Investment Award** from Sina Finance



CSC Financial won "**Outstanding Service  
Provider Award**" of the 12th  
"**Golden Wisdom Award**" sponsored by JRJ



China Securities won the 2023 **Investor Education  
Excellence Award**, the 2023 **Bond Market Service  
Award**, and the 2023 **Outstanding Service Provider  
for Central Government Run SOEs Award** sponsored  
by the Shanghai Stock Exchange



China Securities won the 2023 **Investor Education  
Excellence Award** sponsored by the  
Shenzhen Stock Exchange

# Providing Convenient and Beneficial Services

CITIC Limited is highly concerned about people's livelihoods and social development. We constantly innovate and optimise our products and services to support the upgrading of people's livelihoods and public services and jointly contribute to people's well-being.

## Optimizing Inclusive Financial Services

We give full play to our strength in providing comprehensive financial services, continuing to broaden the coverage, and improve the quality of our inclusive financial services to meet the diversified financial needs of small and micro-enterprises. At the same time, we explore innovative ways to provide services to agriculture, consumption, small and medium-sized enterprises (SMEs), etc., to enhance financial inclusion's benefits further.

### CITIC Bank

Through the continuous expansion of its "CITIC Easy Loans" product line, CITIC Bank offers small and micro-enterprises tailored financial solutions that enhance their customer experience and improve service efficiency. By the end of 2023, the balance of CITIC Easy Loans reached RMB545.076 billion, increasing by RMB99.084 billion over the previous year; the number of clients with outstanding CITIC Easy Loans grew by 53,600, reaching a total of 283,600.

### CITIC Securities

As a specialized plan manager, the Company participated in four ABS products totalling RMB1 billion led by Shenzhen Hi-Tech Investment Group throughout 2023, completed 107 intellectual property pledges, and served the financing needs of 52 technology SMEs. The intellectual property securitization project carried out by CITIC Securities and Hi-Tech Investment Group provided a solution to address the difficulties in obtaining swift and low-cost financing for SMEs.



As of the end of 2023, the balance of CITIC Easy

Loans reached RMB**545.076** billion, increasing by RMB99.084 billion over the previous year

### CSC Financial

The Company's subsidiary, China Futures, specializes in the "insurance + futures" business. By transferring and dispersing the risks of the agricultural industry chain through the insurance and futures markets, it provides more comprehensive and effective risk protection for agricultural production. In 2023, CSC Financial launched 76 projects involving insurance and futures and 239 projects involving OTC options, focusing on key commodities like rubber, corn, soybean meal, and pigs. It provided around RMB5.523 billion in risk protection for farmers and businesses, with claims totalling RMB107 million. It also actively promoted knowledge transfer by hosting 73 professional training sessions.

### CITIC Trust

In 2023, the Company set up the inclusive financial services department. Cooperating with professional organisations to provide inclusive financial services, the department provides credit support to new citizens. By the end of 2023, CITIC Trust released a total of RMB40.2 billion of credits.



## Enriching Service Scenarios to Benefit People's Livelihoods

We pay close attention to people's livelihoods and continuously deepen our service support around education, pension, health, and other aspects.



### Education

#### CITIC Press

CITIC Press has been stepping up content innovation and copyright operations, especially in key domains of public interest such as popular science, children's books, literature, and inspirational books. In terms of children's books, it focuses on parental reading for families with children under 12 years old. They have planned and published a series of levelled reading categorised by age, grades, subjects, and different levels of reading and comprehension skills to broaden children's horizons, improve reading skills, foster their good habits and behaviours. In 2023, the Company collaborated with a mother tongue promotion NPO to release a series of levelled Chinese reading materials, helping more children to fall in love with reading.

#### CITIC Telecom International

CITIC Telecom International initiated the Macau 5G Intelligent Service Alliance and worked with the Women's General Association of Macau to launch the "5G Dream Base". With the help of 5G and VR technologies, the Base provides diversified learning experiences for children.



### Pensions

#### CITIC Bank

CITIC Bank upgraded the "Happiness" pension financial service system to provide customers with more comprehensive, higher quality, warmer pension financial services. As of the end of 2023, CITIC Bank opened 927,100 personal pension fund accounts, and the number of pension account users at the Bank reached 3,097,800.

#### CITIC Securities

CITIC Securities is qualified to manage the transferred shares, the domestic investments, and the Basic Pension Insurance Fund investments of China's National Social Security Fund. It also worked with many occupational pension operators across the country to help them formulate compliant enterprise annuity plans.



### Health

#### CITIC Pacific Health

CITIC Pacific Health is committed to being a trustworthy provider of high-quality medical and healthcare products and services and striving to improve the quality of life of its customers. In 2023, the Company launched an independently developed big data platform, "CITIC Pacific Smart Elderly Care Platform." Through mobile APPs, smart wearable devices, and an interactive video monitoring systems, the platform provides continuous health status tracking for older people and maintains a personal health record. The Company also developed the "Pacific Yi Hu Jia" mini WeChat program, which is connected to Jiangyin City Health Commission's database, allowing the Company to provide door-to-door medical care for elderly customers.



# Continuous Optimization of Service Quality

At CITIC Limited, we prioritise a client-centred approach, ensuring strict adherence to all product safety laws and regulations in the countries and regions where we operate. We are dedicated to continuous improvement of our product quality management system and enhancing service efficiency. This dedication allows us to consistently deliver high-quality products and services to our clients and customers.

## Strengthening Quality Management

We encourage our subsidiaries to establish quality management and supervision systems. Through effective supervision means and tools, we stress life cycle product quality management, covering product quality planning, process quality planning, process quality management, and after-sales service management to ensure that product quality meets the expected standards. By the end of 2023, a number of subsidiaries obtained ISO9001, ISO45001, ISO14001, and other professional certifications in quality management, occupational health and safety, environmental management, strongly ensuring the quality, health, and safety of related products and services.

In 2023, CITIC Limited and our subsidiaries maintained a perfect record with zero product or service recalls due to safety and health concerns.



### Product design and R&D

#### 📍 CITIC Pacific Special Steel

Integrated emerging technologies with product manufacturing practice, CITIC Pacific Special Steel proposed a high-quality, flexible, and agile development model. Addressing the industrial hot issues of product quality and customization through numerical simulation fitting of quality requirements with a performance prediction model, the Company accelerated the R&D timeframe by 56%. It also successfully improved the product fatigue life by 241% by simulating the impact of process parameters on quality.



### Product quality inspection program

#### 📍 CITIC Heavy Industries

CITIC Heavy Industries established a comprehensive quality inspection management system. The China National Accreditation Service accredited the laboratory of its metrology and testing centre for Conformity Assessment. The Company scrutinized the quality of raw materials and products to eliminate unqualified raw materials, parts, and semi-finished products from the production process. No defective product goes into the market.



### Product tracing and early warning

#### 📍 CITIC Dicastal

CITIC Dicastal established a digital and intelligent quality management platform to strengthen value chain quality management throughout the entire product life cycle. By scanning QR codes on the product, batches of polemic products can be quickly identified to activate subsequent big data monitoring and product quality risk early warning in order to prevent quality risks proactively.



### Product defect and recall

#### 📍 Dah Chong Hong

Dah Chong Hong continued to improve its product quality management and testing processes, as well as the recall procedures for substandard products. Its main subsidiary food businesses have obtained ISO22000 and HACCP food safety management system certifications. Meanwhile, it has set up food product recall guidelines to guide follow-up actions as necessary.



## Enhancement of Service Level

We pursue excellence in staying trusted by our customers as the key to building an outstanding enterprise group. Addressing customer needs and experience, we fully integrate products, services, and technology-related resources to enhance service and its quality.

### Providing intelligent services

#### 📍 CITIC Bank

CITIC Bank continued to improve its “machine + artificial” service system and empower its financial services with artificial intelligence and other intelligent and information technologies. In 2023, it launched three intelligent outlets in Beijing, Hangzhou, and Nanjing and created a 3D super-realistic digital human, “Xiao Xin”, and associated digital human wealth advisory services. Since its launch in July 2023, “Xiao Xin” performed more than 883,000 interactive inquiries.

#### 📍 CITIC Heye

From the aspect of space, environment, and service, CITIC Heye managed to enhance the customer experience and satisfaction of property owners and tenants. It launched an exclusive intelligent operation and maintenance management service platform called “Zun E Enjoy/Zun E Manage.” The system is equipped with artificial intelligence, big data, the Internet of Things, and other technologies to provide intelligent, convenient, and efficient services such as elevator guidance, visitor invitations, one-key service, and meeting room booking.

### Professional service support

#### 📍 CITIC Heavy Industries

CITIC Heavy Industries provided customers with “all-weather, all-round, all-heart, all-process” services, covering installation, commissioning, training, technical consulting, upgrading and transformation, etc. Throughout 2023, the Company recorded an average customer service response time of less than 1.3 hours.

#### 📍 CITIC Metal

In response to customer service demands, CITIC Metal Group expanded its service scope to the front end and provided customers with professional and technical consultation. In 2023, CITIC Titanium, a subsidiary of CITIC Metal Group, provided more than 30 times of technical consulting through its technical service hotline and provided special technical services to more than 20 service users.

### Promoting customer satisfaction

#### 📍 CITIC Bank

CITIC Bank boasts a sound customer satisfaction research mechanism in the form of telephone, text, video, and others. After customer service, the system automatically triggers satisfaction research and collects customer service evaluation in an all-round way. In 2023, it found a 98.54% satisfaction rate across all channels for the debit card business and a 98.56% satisfaction rate for credit card inbound customer service.

#### 📍 CITIC Securities

CITIC Securities conducted automatic satisfaction surveys for both telephone and online inquiries. In 2023, the satisfaction rate of the Customer Service Centre for online account opening customers telephone and online inquiries all exceeded 99%.

# Strictly Protecting Customers' Rights and Interests

Treating customers with openness, honesty, and trustworthiness, CITIC Limited encourages all subsidiaries to improve the customer and complaints schemes, integrates the concept of consumer rights and interest's protection into product and service innovations, continuously optimises the quality of products and services, and systematically considers customer feedback, so as to improve mutual trust and growth with customers.

## Protection of Consumers' Financial Rights

CITIC Bank has incorporated the protection of consumers' rights and interests into its strategic planning, corporate culture, and corporate governance. It has established a consumer rights protection committee under its Board of Directors, which is responsible for ensuring the effective implementation of strategic objectives and policies on consumer rights and interests protection.

### Key Consumer Protection Initiatives of CITIC Bank

#### Product and Service Review

It continuously improves the review mechanism for products and services, and implements reviews from the steps of documenting complaints and conducting initial reviews by business department, registration and review by the consumer protection office, customer feedback, etc., to effectively guard against the risk of infringing on the legitimate rights and interests of consumers. In 2023, CITIC Bank conducted 20,060 consumer rights protection reviews, representing an 84.83% increase from the previous year, and issued 6,224 review opinions, all of which were adopted.

#### Conduct product marketing in accordance with regulatory requirements

It strictly implements the requirements of the regulatory rules, standardises product marketing review in terms of product selection, sales organisation and business management and other aspects. The consumer protection office is responsible for the review and supervision of financial marketing and publicity related to consumer protection, covering steps of pre-audit, mid-supervision and post-supervision.

#### Loan adjustment options

It provides customers with flexible loan adjustment options. Upon receipt of the application materials provided by the customer, modifications will be made to the loan elements or loan-related information that meet the requirements, and different adjustment approval processes will be defined for different loan elements based on the risk level of the post-credit updates. Post-credit adjustments can be divided into "online self-service post-credit adjustment" and "offline review & approval post-credit adjustment." Certain eligible customers can initiate loan adjustment applications via mobile banking. Adjustments will be automatically applied if approved by the system.

#### Debt collection mechanism

It formulated internal regulations, including the *Administrative Measures for Personal Loan Recovery of CITIC Bank*, the *Operational Rules for Personal Loan Recovery of CITIC Bank*, and the *Administrative Measures for Credit Card Centre Card Debt Collection Operations of CITIC Bank*, with clear prohibition of violent means of debt collection and collection attempts against unrelated third parties, to ensure that collections are carried out in a lawful and compliant manner. During 2023, it conducted 5 regular training sessions for all post-loan practitioners online and offline, as well as other ways to cover the policy, system application, consumer protection, anti-money laundering, and other aspects.

#### Staff training on consumer protection

In 2023, CITIC Bank formulated the Financial Consumer Rights Protection Employee Training Plan 2023. This plan ensures that all employees, across all levels and business lines, receive thorough training in consumer protection. It adopts a hybrid training model, combining online and offline elements. This plan aims to ensure that all staff members gain a deep understanding of consumer rights and consistently uphold the highest standards in their interactions with customers. Nearly 90,000 employees participated in financial consumer rights protection training in 2023.

## Customer Complaint Management

We treasure customer feedback and endeavour to resolve them in a fair and timely manner. All subsidiaries continue to optimise the customer complaint process by improving internal communication and coordination, information sharing, collaborative handling, and other mechanisms to ensure that customer complaints are timely received and effectively dealt with, to safeguard the fundamental interests of customers effectively.

### 📍 CITIC Bank

The consumer rights protection committee of CITIC Bank is responsible for guiding and supervising the work related to consumer complaint management in accordance with regulatory requirements and market trends, ensuring the comprehensiveness, timeliness, and effectiveness of the complaint management work of the senior management and the special departments of the consumer protection division. In 2023, the Bank revised the *Administration Measures for Rapid Claim Settlement of Financial Consumer Complaints of CITIC Bank* and developed its multi-disciplinary dispute mediation mechanism. It encouraged subsidiaries receiving complaints to resolve complaints using a quick settlement mechanism for more efficient customer complaint handling. In 2023, CITIC Bank handled a total of 267,424 complaints across all channels, a decrease of 16.99% year over year. Customer complaints settlement rate within the specified period reached 99.18%.



In 2023, CITIC Bank handled a total of 267,424 complaints across all channels, a decrease of

**16.99%** year over year.

Customer complaints settlement rate within the specified period

reached **99.18%**.



### 📍 CITIC Holdings

CITIC Holdings established a comprehensive customer and complaint protection mechanism. For commercial disputes between platform merchants and customers, it strictly complied with the *Law on the Protection of the Rights and Interests of Consumers*, the *Product Quality Law* and other relevant laws and regulations, as well as its internal regulation of the *General Principles of Merchant After-sale Policies*, to protect consumer interest fairly and impartially.

### 📍 CITIC Heye

It provides customers a smooth complaint and feedback channel to collect customer demands and opinions through a customer service hotline, complaint mailboxes, questionnaire surveys, telephone return visits and other methods. Dedicated customer complaint officers will handle the complaint and provide follow-up service to ensure a timely response, compliant resolution, and customer satisfaction.

### 📍 CITIC Telecom International

Whilst ensuring that each complaint is properly resolved, it analyses the root causes of customer complaints and makes targeted improvements to ensure the effective reduction and avoidance of similar complaints.



## Financial Literacy Education

Being a responsible industrial player, we launched various financial education programs to enhance the financial and risk management skills of our consumers and investors, seeking to foster a harmonious and orderly financial consumption environment.

### CITIC Bank

CITIC Bank provides both regular and centralised financial literacy education to promote a correct financial consumption concept. In 2023, it actively participated in and carried out activities such as “March 15 Consumer Rights Protection Education and Publicity Week”, “Illegal Fund-Raising Prevention Publicity Month” and “Financial Knowledge Popularization Journey”. A total of 12,570 activities were organized in 2023, reaching 239 million consumers, attracted more than 33,323,100 visits of the Bank’s original educational materials.

Furthermore, CITIC Bank pays full attention to the diversified financial needs of special groups. Its local branches have conducted educational financial activities targeting special groups such as rural migrant workers, the disabled, older people, and schoolchildren to make the educational efforts relevant and to safeguard the legitimate financial rights and interests of these special groups.

### CITIC Securities

It established and operated four new offline investor education bases in Tianjin, Wuhan, Suqian and Guangzhou, and launched a number of investor education WeChat accounts and video accounts. In 2023, it published 414 articles on WeChat and 68 short videos through the WeChat public account and video account of the “CITIC Securities Investor Education Base,” reaching 1,952,600 viewers. The content covered basic financial and business knowledge, interpretation of new market regulations, and information on new market regulations, and the prevention of illegal fundraising.

### CITIC Prudential Life

For six consecutive years, the Company has organised the “Junior Wealth Legend” parent-child financial activities, developed a children’s financial education board game called “Wealth Chess,” and launched the first offline children’s financial quotient contest, offering more fun parent-child financial education activities. By the end of 2023, the “Junior Wealth Legend” series of activities had been launched in nearly 100 cities across China, with more than 2,000 sessions completed and a total of more than 100,000 participants.



#### Promoting financial literacy in rural areas

CITIC Bank actively contributes to rural revitalisation by leveraging its expertise and pooling high-quality resources to deliver comprehensive and in-depth financial literacy programs for rural residents. It employs creative methods to raise awareness about consumer protection and risk prevention.



#### Promoting financial literacy among elderly customers

The Bank’s outlets have been providing financial literacy courses on fraud prevention, smartphone usage, financial knowledge, etc. Collaborating with organisations serving the elderly, the Bank created enriched and easy-to-follow educational activities to help the elderly strengthen their awareness of risks and keep up with digital trends.



#### Promoting financial literacy among university students

The Bank established close cooperation with educational institutions to carry out financial knowledge education and publicity activities to enhance the financial literacy and risk prevention awareness of students.



# 04

## Investing in Our Workforce

### Building a Better Future Together

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At CITIC Limited, we recognize our employees as the engine of our long-term success and sustainable growth. We view them as valuable assets and are committed to fostering a positive work environment. This means creating a fair, inclusive, and harmonious atmosphere where everyone feels valued. We offer competitive compensation and benefits, fair career advancement opportunities, and a robust training system designed to support their career growth and keep them motivated. We are committed to working with employees to build a better future together.







## Honours and Awards



CITIC Bank ranked among zhaopin.com's  
**Top 100 Best Employers in China** for 2023



CITIC Bank International won three awards at The Hong Kong HR Awards 2022/23 sponsored by JobsDB:  
**Attraction Campaign (Banking Industry) Award, Leadership Award, and HR Team of the Year Award**



CITIC Securities was recognized as the 2022-2023  
**Employer of the Year** and the 2022-2023 **Outstanding Internship Base** from Peking University Guanghua School of Management



CITIC Pacific was rated as the Industry Mandatory Provident Fund Schemes Authority's (MPFA) **Best Employer in the Fund Industry** for the eighth consecutive year. It also won the MPFA's 2023 **Electronic Payment Service Provider Award** and 2023 **Fund Marketing Award**



CITIC Agriculture's Higentec Biotech's Germplasm Innovation Center won the  
**National Pioneer Worker** title



CITIC Construction was awarded by zhaopin.com's  
**China Preferred Employer of the Year 2023**



# Respecting and Protecting Employees' Rights

At CITIC Limited, we prioritize protecting the rights of our employees. We adopt fair and transparent recruitment practices to build a diverse and talented workforce. We value our employees' input and are dedicated to creating a positive and supportive workplace culture that is respectful, inclusive, and responsive to their needs and suggestions. This dedication helps us safeguard employee rights and ensure their well-being.

## Protecting Employees' Rights

As a global employer, CITIC Limited is committed to promoting fair, equal, and respectful employment practices around the world. We strictly adhere to all legal regulations in every country and region where we operate and actively uphold the principles outlined in the *UN Guiding Principles on Business and Human Rights*, the *Equal Remuneration Convention*, and other relevant international human rights conventions. We are committed to fostering a positive and supportive work environment for all our employees, and ensures that we effectively protect our employees' rights and interests in accordance with the law and maintain harmonious and stable labour relations.

At CITIC Limited, we uphold relevant laws, regulations, and policies, and committed to providing equal opportunities for all employees in recruitment and career development. Career advancement is based solely on merit and qualifications, and we have zero tolerance for discrimination based on race, gender, religion, ethnicity, nationality, or physical disability. We uphold the highest standards of legal compliance throughout the employment lifecycle, including conclusion, performance, modification, cancellation, and termination of labour contracts. Careful verification of applicant identification documents is an essential part of our recruitment process. We ensure all labour contracts are signed based on equality and voluntariness and take a zero-tolerance approach to child and forced labour.

As of the end of 2023, CITIC Limited had 188,862 full-time employees. Among them, 35.71% were female, 47.56% were under the age of 35, and the labour contract signing rate reached 100%, including headquarters and subsidiaries, had chosen to be represented by trade unions.

As of the end of 2023,



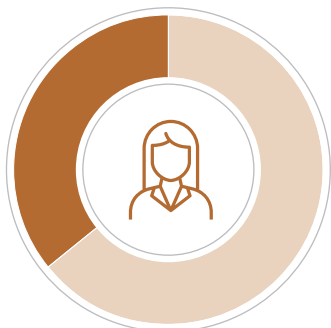
CITIC Limited had

**188,862** full-time employees



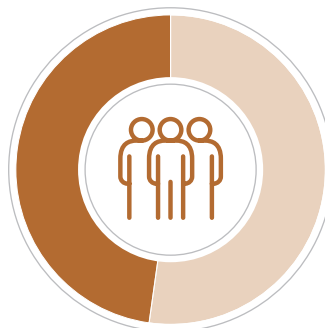
The labour contract signing rate reached

**100%**



Female employees

**35.71%**



Employees under the age of 35

**47.56%**

## Diversity and Equal Opportunities

At CITIC Limited, we are committed to diversity and equal opportunities for all. We implement fair and unbiased recruitment practices, welcoming all kinds of talent – women, international employees, and ethnic minorities. Our goal is to foster an inclusive environment where everyone feels valued and empowered to contribute their unique skills and perspectives.

We actively champion the rights and well-being of our female employees. We have implemented comprehensive actions, including special collective contracts, to safeguard their rights. As of the end of March 2023, our headquarters had signed collective contracts that safeguard the rights and interests of women with over 137 female employees. By the end of 2023, all first-tier subsidiaries, including CITIC Bank, CITIC Dicastal and CITIC Heavy Industries, had signed similar collective contacts with female employees.



**All first-tier subsidiaries**, including CITIC Bank, CITIC Dicastal and CITIC Heavy Industries, had signed similar collective contacts with female employees

### Case International Women's Day Activities at CITIC Limited

- CITIC Trust organized knowledge contests centered around the rights of female employees. These contests delved into legal topics such as the *Special Rules on the Labor Protection of Female Employees*, the *Law on the Protection on Rights and Interests of Women*, and *Guide to Promoting Gender Equality in the Workplace*. They were designed to enhance their capacity to protect their rightful rights and interests in accordance with the law.
- CITIC Construction hosted a “Scent of Roses” themed reading event and a short video competition titled “Stories Through the Lens”. These initiatives provided a platform to spotlight the various facets of life of their female employees.
- To celebrate International Women's Day 2023, CITIC Metal Group offered a photography workshop for their female employees. This empowering initiative aimed to hone their photography skills, ignite their passion for achieving their personal goals and living a more fulfilling life, and enhance their self-perception.

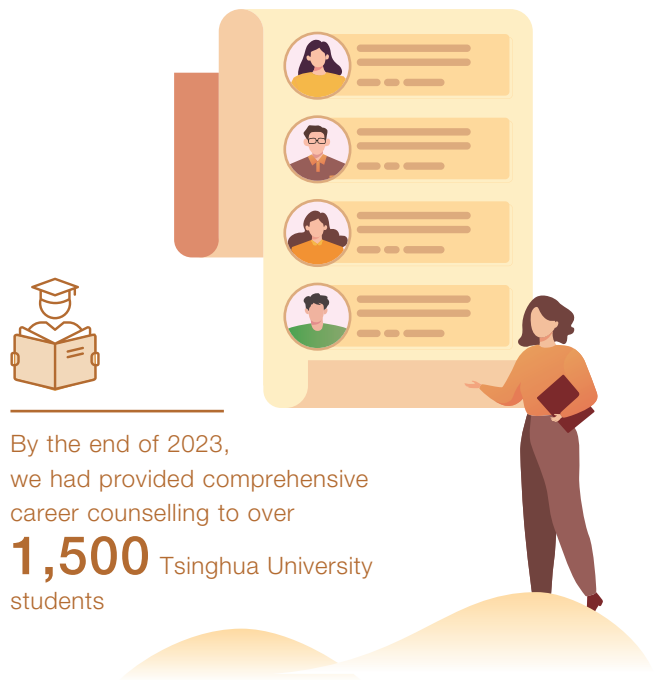


## Talent Acquisition

We're committed to continuously improving how we find and attract top talent. To build a diverse pool of talent, we have actively expanded our recruitment channels, including on-campus recruiting and public job postings.

We foster strong partnerships with universities, providing students with diverse opportunities to gain valuable real-world experience. This encompasses on-campus recruiting events, winter and summer internships, personalized career coaching, collaborative internship programs, workplace visits, and continue to deepen talent co-operation between universities and us. Our dedication to student development has earned us recognition through awards such as "Best Strategic Partner for Student Job Placement" and "Outstanding Employer of the Year".

As the chief partner of Tsinghua University's Career Coaching Program (Finance), we actively involve our financial subsidiaries in the program, bringing in industry experts from banking, securities, funds, trusts, and insurance industries to join the program. By the end of 2023, we had provided comprehensive career counselling to over 1,500 Tsinghua University students. This support encompassed career planning, skill development, practical exposure, internship opportunities, and job recommendations.



By the end of 2023,  
we had provided comprehensive  
career counselling to over  
**1,500** Tsinghua University  
students



Launching Ceremony of the 18th Tsinghua University Career Coaching Program



## Employee Communication and Engagement

We are firmly committed to upholding the fundamental principles enshrined in the International Labour Organization (ILO) Conventions and protocols. We prioritize safeguarding the legitimate rights and interests of every employee. This includes respecting their rights to join or form legal associations, access information, participate in decision-making processes, express themselves freely, and engage in oversight activities. We conduct our company management practices democratically, in accordance with applicable laws, and maintain a harmonious relationship with our workforce. We continuously strive to enhance our democratic management system, with the employee congress playing a central role. We actively encourage employee participation in company management. This not only safeguards their rights and interests but also promotes the sound and steady development of CITIC Limited.

In February 2023, we convened a session of the employee congress. During this session, employees reviewed and approved several proposals, including *Appointing CITIC Trust as Trustee for CITIC Limited's Enterprise Annuities*, the *2023 Enterprise Annuity Plan* and its rules, and the collective contracts that safeguard the rights and interests of women.

# Employee Compensation and Benefits

CITIC Limited's compensation system is designed to align with local regulations and reflect our operational performance. We benchmark against market rates to ensure we offer competitive salaries and attract top talent while also ensuring fairness within our workforce and tying compensation to performance. Our compensation strategy focuses on competitive salaries for top performers. We also offer innovative incentive programs to keep our workforce motivated and united. This comprehensive approach contributes to CITIC Limited's sustainable growth.

## Benefits

CITIC Limited is dedicated to providing a comprehensive suite of benefits and programs to enhance employee well-being and security. This includes formulating health insurance, employee wellness, work schedule, and leave policies. We also provide social insurance or Mandatory Provident Fund contributions, as required by local government regulations. We have also formulated *Guidelines for Managing Subsidies and Benefits Programs* in accordance with relevant national policies. We offer enterprise annuities (to supplement pensions), supplementary medical insurance, and other programs that complement the basic social insurance system. We also offer reasonable allowances and subsidy schemes, and provide access to on-site amenities such as cafeterias, maternal and child care rooms, and fitness centres. Our subsidiaries are encouraged to develop and implement their own wellness programs tailored to their specific circumstances.



## Compensation, Performance Appraisal, and Incentives

CITIC Limited ensures that its remuneration system reflects both market competitiveness and individual success. We utilize a comprehensive approach that considers both the industry's compensation levels and performance assessments to determine employee salaries and directly links salary adjustments to our business performance and individual performance evaluations.

We implement a rigorous and fair annual performance appraisal system. A cross-functional team led by Human Resources Department oversees the process. This process includes democratic assessments, interviews, surveys, visits to regulators, and opportunities for employee input. While we prioritize achieving performance objectives, we also value coaching and open communication with our employees. Our goal is to objectively assess contributions and provide a well-rounded evaluation. The performance appraisal results serve as a foundation for decisions regarding training, career development, recognition, penalties, and salary adjustments.

### Employee performance appraisal process



CITIC Limited has put in place a program to ensure that middle and senior management are held accountable for their performance. This program, outlined in our *Guidance for Establishing and Improving the Clawback Mechanism (Trial)*, establishes a system for reclaim compensation paid to executives or key leaders under certain conditions, such as violations of regulatory policies, occurrence of major risks, or non-compliant payment. The clawback period is in principle tied to the timeframe over which losses occurred. This mechanism applies to both current employees and those who have resigned or retired. Our subsidiaries are also required to develop and implement their own clawback programs tailored to their specific circumstances.

We encourage our employees to acquire shares of CITIC Limited, with all related purchases expected to adhere to pertinent laws, regulations, and internal regulations governing stock transactions. Confident in our future strategic plans and growth prospects, directors and middle and senior management of CITIC Limited, certain major shareholders including CITIC Group, and selected subsidiaries will voluntarily invest the amount of not less than HKD100 million to purchase Company shares from the secondary market, effective from February 21 to December 31, 2024. The aforementioned individuals pledge not to transfer the purchased shares to external parties for a period of one year from the date of acquisition.



# Training and Career Development

At CITIC Limited, we prioritize empowering our employees to reach their full potential in the workplace. We actively invest in career development by creating and improving paths for career advancement, refining our reward and accountability systems, and strengthening our training systems. We offer innovative training programs and models to equip our employees with the skills they need to excel in the workplace, helping them reach their full potential and contribute to our high-performing professional team. We have formulated *Education and Training Plan 2023* and *Collaborative Education and Training Plan 2023*. These plans define key areas for employee learning and training, optimize our training systems, and maximize the impact of our training programs.

In 2023, we revamped our internal training system to better address the needs of employees across all levels and business lines. We also upgraded our online learning platform, which offered over 1,000 professional courses and 25 live training sessions, with over 150,000 employees taking advantage of these learning opportunities. We improved the content of our training programs, with a special focus on promoting ethical business practices and green practices. We are committed to delivering comprehensive, top-tier professional training opportunities to our employees.



We offered over **1,000** professional courses, with over **150,000** employees taking advantage of these learning opportunities

## Business ethics training

We integrate legal compliance, professional integrity, business ethics, and employee behavioural standards into all in-person training programs as mandatory elements. Real-life examples were used to illustrate legal and ethical issues during training sessions and special live online lectures on relevant topics were also offered. Our goal is to ensure employees exercise caution and understand, respect and adhere to ethical standards.



## Green development training

We've integrated key sustainability themes like "dual carbon" targets, green finance, and green operations into relevant training programs. These programs also incorporate real-world examples from industry leaders in low-carbon development and green transformation. Recognizing the importance of sustainability leadership, we equip our early-career and mid-career managers and executives with the knowledge and skills necessary through dedicated training on these essential topics.

CITIC Limited recognizes the importance of aligning with evolving employee development trends. In 2023, we launched the *Manager Development and Training Plan (2023-2027)*, which integrates ongoing learning of managers into our promotion and appointment decisions. We have also put in place a comprehensive assessment system, which includes a follow-up assessment mechanism, strengthened the review of training providers, programs, and courses, and improved manager training, on-the-job training, job rotation, and project involvement mechanisms. These efforts ensure we can comprehensively track and support the holistic development of all our employees.



# Safety and Occupational Health

At CITIC Limited, safety is paramount. We are committed to complying with all relevant laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents*, and implement a robust workplace safety responsibility system. Established in 2015, the Safety Committee, led by the Chairman and President, takes full responsibility for overseeing our safety management practices and ensuring effective emergency response protocols are in place. We also proactively identify potential occupational health hazards, conduct systematic health risk assessments, and actively work to enhance our employees' health literacy.

## Workplace Safety

Our philosophy prioritizes people and safety above all else, which is reflected in our comprehensive safety management system. This system encompasses the *Management Measures on Workplace Safety* and sub-systems that address critical areas like fire safety and traffic safety. Our work policy emphasizes safety as the foremost priority, with a focus on proactive prevention and comprehensive management. We categorise workplace safety risks within subsidiaries into three levels and implement a comprehensive safety framework that includes fundamental safety management measures, prevention mechanisms, emergency plan procedures, reporting mechanism, and reward and penalty mechanisms. Safety performance is a key factor in our subsidiary evaluations. Subsidiaries with major safety incidents resulting in more than one severe injuries or more than RMB1 million in direct financial losses will receive lower annual performance ratings.

We have continuously refined our safety management system, ensuring all areas and levels are covered. In 2023, we issued rules of procedure for the Safety Committee, ensuring responsibilities are fulfilled by all parties and improving operational efficiency. Towards the end of 2023, we hosted a safety meeting with key leaders from our subsidiaries to develop detailed plans for winter and spring fire safety initiatives, prevention and control strategies in key sectors, enhanced supervision and inspections, and intensified safety training programs. Our ultimate goal is to safeguard the safety, health, and well-being of employees, which are the bedrock of our sustainable growth.

We implemented comprehensive safety measures, including large-scale inspections designed to identify fire and other safety

hazards, across our entire system. We empowered our subsidiaries by providing guidance on how to systematically address identified loopholes and weaknesses in their safety management systems. During recent natural disasters, including the heavy rainfalls during the flood season and the 6.2-magnitude earthquake in Jishishan, Gansu, we provided clear guidance on emergency response efforts and enhanced our emergency plans and preventive measures to ensure the safety of our employees and property.

CITIC Limited is committed to continuous improvement in safety management. We are leveraging digital tools to enhance the efficiency of our safety management system. Our robust safety management system features real-time safety data maintenance and monitoring, tiered reporting structures, data visualization tools to support informed decision-making. We have launched a dedicated safety management section on our internal website. This one-stop section provides employees, especially safety personnel, with easy access to information on workplace safety, fire safety, and national safety regulations.

We have actively supported our subsidiaries in establishing three national workplace safety demonstration positions for young employees and four Level One exemplary safety management units. We encourage our subsidiaries to set annual safety targets that align with their specific operations, strengthen their emergency response systems and safety measures, and establish clear accountability for workplace safety.



CITIC Offshore Helicopter celebrated a successful Flight Safety Year in 2023.



CITIC Construction hosted Safety Promotion and Consultation Day in 2023. This event featured a simulated court process for a construction safety accident, providing an impactful educational experience for employees regarding construction safety laws.

## Safety responsibilities

### CITIC Heye

It put in place a comprehensive workplace safety accountability system. This system involves 12 headquarters departments and affiliated companies like CITIC Asset Operation. All these entities have signed a safety target responsibility agreement. This agreement clearly defines safety responsibilities and sets annual safety goals, ensuring a collective commitment to a safe work environment for all.

## Safety hazard investigation

### CITIC Pacific Energy

It took a two-pronged prevention-centred approach to safety management. It implements strict hierarchical management and control protocols for high-risk operations while proactively identifying and addressing potential hazards through its safety monitoring platform. This platform enables real-time monitoring of hazardous and high-risk activities (such as hot work), rectification of safety hazards, and implementation of safety measures. Through this comprehensive approach, it ensures a safe and reliable work environment for all its employees.

## Workplace safety training

### CITIC Dicastal

In 2023, all of its employees completed at least one safety training program. It conducted 12 specialized safety training sessions for 286 personnel involved in special operations, and provided safety training for 386 new hires. Middle-level managers and key personnel responsible for workplace safety participated in a training program focused on the *Standards for Identifying Major Safety Hazards in Industrial and Trade Enterprises* and completed the required examination.

## Safety supervision and inspection

### CITIC Offshore Helicopter

It formulated the *Safety Audit Plan 2023*, which was aligned with its special investigation and rectification actions for major safety hazards. This plan involved conducting more than 200 safety inspections across all its frontline production facilities to identify potential safety hazards, to ensure the “dynamic hazard elimination” strategy.

## Safety and emergency drills

### CITIC Telecom International

To ensure the safety of its employees, it has established a dedicated Firefighting Steering Group, along with a Firefighting Office under it. Their responsibilities include updating fire safety protocols and fire escape route maps, strengthening fire prevention and ensuring proper maintenance and upkeep of firefighting facilities in both offices and data centres, and conducting regular assessments, inspections, and fire drills.

## Safety management platform

### CITIC Construction

It is embracing digital solutions for safety management. In June 2023, its project digital management platform launched a safety management module. This module empowers both business departments and project teams to timely report various safety management data, and has significantly enhanced its safety data repository and improved safety data reporting and management efficiency.



China CITIC Bank held 2023 security training and security management work forum



CITIC Tower's micro fire station team won first place in the team competition at the 2023 Beijing Fire Prevention and Self-Rescue Competition.

## Occupational Health

At CITIC Limited, we strictly adhere to all applicable laws, regulations, policies, and standards concerning occupational health. We have put in place robust mechanisms to proactively identify potential hazards and effectively manage identified risks. These efforts create a safe and healthy work environment for our employees, preventing and minimizing the occurrence of occupational diseases, psychological ailments, and other health issues.



### **CITIC Heavy Industries:**

It formulated the *Occupational Disease Prevention and Control Plan and Implementation Strategy 2023*. This plan ensured all employees potentially exposed to occupational hazards underwent thorough health screenings (including pre-employment, on-the-job, and post-employment screenings). It also organized follow-up health assessments when prompted by routine screenings or required by the occupational disease screening facility. To ensure a safe work environment, CITIC Heavy Industries leverages the expertise of a professional occupational health service agency. They conduct regular assessments to identify potential occupational hazards at CITIC Heavy Industries.



### **CITIC Urban Development & Operation:**

It takes targeted actions to reduce the likelihood of disease occurrence based on the nature of seasonal and common communicable diseases. Such actions include influenza vaccination, regular office ventilation and disinfection, and distribution of sanitation supplies. It also offers annual physical examinations, medical services, health promotion programs, and other services to promote the general health and well-being of its employees.



### **Subsidiaries like CITIC Metal and CITIC Heye:**

They have put in place mental health support systems, including 24/7 mental health hotlines offering access to confidential consultations. They also hold regular mental health seminars to equip employees with tools to manage work-related stress.

## Case CITIC Pacific Mining's Health, Safety, and Environment Forum

Since August 2017, CITIC Pacific Mining has been hosting a regular Health, Safety, and Environmental Protection Forum to promote health, safety, and environmental awareness among its employees and foster a strong culture of safety and environmental stewardship. At the Health, Safety, and Environmental Protection Forum held in the second quarter of 2023, Charmain Sales, Manager, Health & Injury at CITIC Pacific Mining, presented the findings of a mental health survey conducted by the Western Australia Mining Department on workers at its Australian mine. Professor Steven Dunje from Redimed introduced innovative technological solutions designed to deliver optimal medical care to employees working in remote mines.

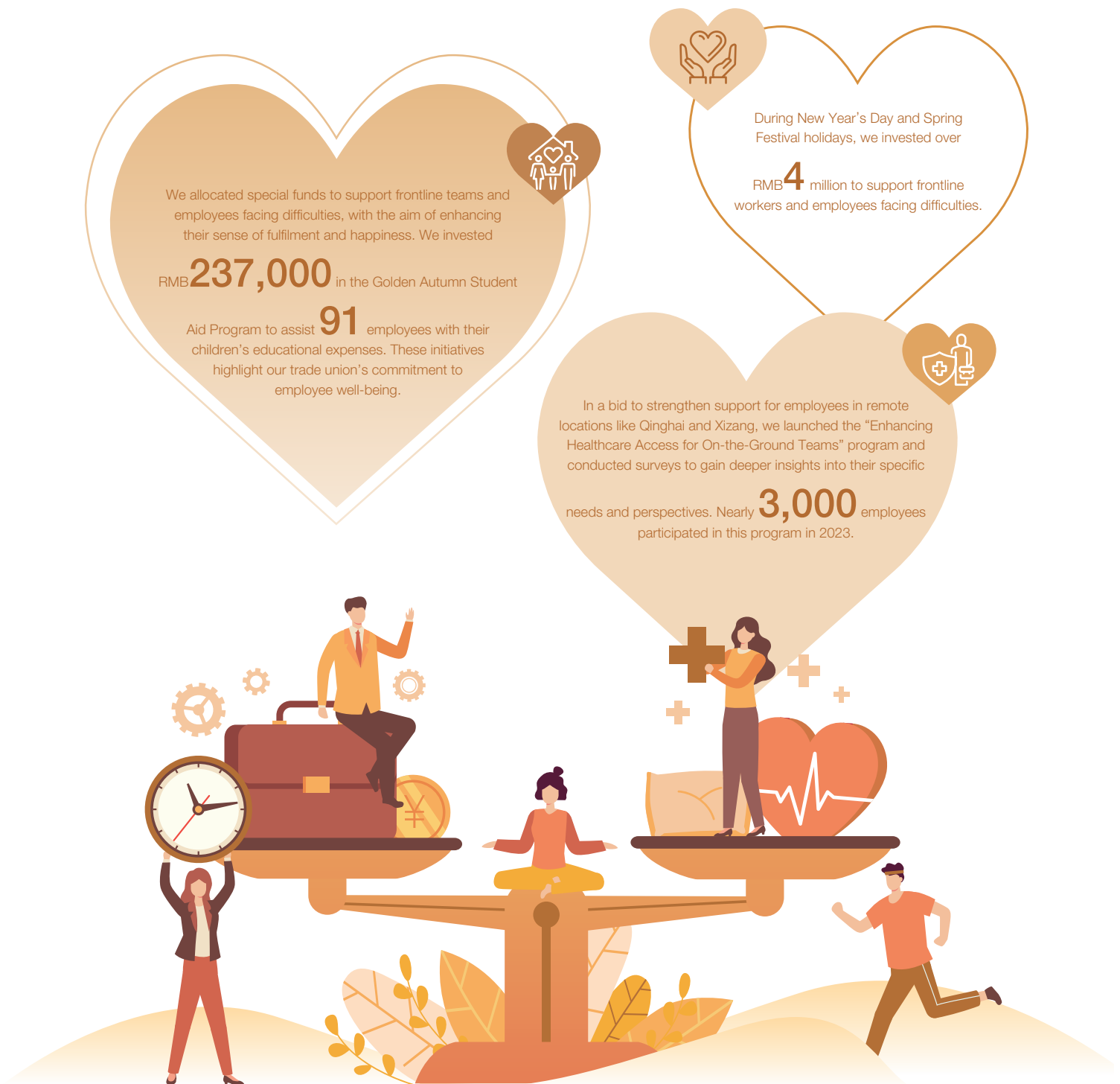




## Employee Care

At CITIC Limited, we recognize the importance of a happy, healthy, and motivated workforce. We actively provide assistance to frontline workers and employees facing difficulties, and foster a positive, supportive, and dynamic work environment through various initiatives integrated into our day-to-day operations.

### Offering support to employees experiencing difficulties



## Promoting work-life balance

- CITIC Limited recognizes the importance of work-life balance for employee well-being. During the summer of 2023, we offered six childcare programs for our employees. We also organized events like “A Match Made in Heaven” and “Mingle & Match at CITIC” to provide opportunities for our single employees in the financial system to connect.
- In 2023, we organized a variety of employee activities, including basketball and badminton games, intellectual contests, and countryside walks.



Our headquarters organized a carbon reduction-themed countryside walk. The event utilized a hybrid format, combining both virtual and in-person elements. Virtual elements included videos, images, and written content tailored for virtual exploration of designated districts and counties. They provided insights into the history, culture, landscapes, and assistance projects of those districts and counties. The initiative was part of our effort to support rural revitalisation.



CITIC Hong Kong offices commemorated the anniversary of Hong Kong's return with a table tennis tournament. A total of 55 employees from 12 different CITIC offices across Hong Kong participated in the tournament.



CITIC Construction organized a 5-kilometer run as well as the Global Employee Games.







# Community Engagement

## Building a Culture of Giving

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At CITIC Limited, philanthropy is deeply ingrained in our corporate ethos, extending far beyond mere charitable contributions. We are deeply committed to understanding and addressing social needs. This commitment manifests in our support for rural revitalisation efforts and a diverse range of social welfare projects. We encourage employee participation in volunteer activities. Through these efforts, we actively contribute to the overall welfare and common prosperity of our society, ensuring that the benefits of our development are shared for the greater good.





## Honours and Awards



At the 2023 Boao Forum for Entrepreneurs, CITIC Limited, CITIC Heye, and CITIC Wealth were recognized for their **Exemplary ESG Practices (Corporate Social Responsibility)**; CITIC Futures was recognized for its **Exemplary ESG Practices (Rural Revitalisation)**



CITIC Bank received the 2023 **Rural Revitalization Best Practices Award** from Xinhuanet and the National Poverty Alleviation Publicity and Education Center



CITIC Bank received the Plus **Caring Company Logo** from the Hong Kong Council of Social Service



Fangmei Education Charitable Trust, established by CITIC Trust, won the 12th **China Charity Award** from the Ministry of Civil Affairs of the People's Republic of China



CITIC Pacific received the 5 Years Plus **Caring Company Logo** from the Hong Kong Council of Social Service. It was also included in the Community Chest of Hong Kong's **Corporate & Employee Contribution Programme** Honours List 2022/23 and received the **2022/23 Award of Excellence** from the organization



CITIC Offshore Helicopter was honoured with the **"Third General Aviation Corporate Social Responsibility Award"**



Longping High-Tech, affiliated to CITIC Press and CITIC Agriculture, received the Rural Revitalisation **Outstanding Practices Award** and the **Rural Revitalisation Best Practices Award** from the China Association for Public Companies



**Five high-quality varieties** cultivated by Longping High-Tech, were designated as key varieties for agricultural production for 2023 by the Ministry of Agriculture and Rural Affairs of the People's Republic of China



Ten books published by CITIC Press were selected for the **"Classic China International Publishing Project"** and the **"Silk Road Book Fragrance Project"** in 2023

# Supporting Rural Revitalisation

At CITIC Limited, we leverage our integrated industry-finance business model and resources in finance, IT, healthcare, consumption, and other key areas to create synergies that drive rural revitalisation efforts. In 2023, CITIC Limited made substantial contributions to rural development in Qianjiang District of Chongqing, Yuanyang County, Pingbian County in Yunnan, and other regions. This included RMB71.7424 million in donations and RMB840 million in loans. Additionally, we facilitated RMB21.2184 million in donations and RMB310 million in loans, launched 52 aid projects, and provided training to 5,686 individuals, including rural doctors, workers in e-commerce, and leaders in rural revitalisation. We also allocated RMB170 million to boost consumption in rural communities, launched 11 “insurance + futures” projects, and deployed another 7 officials on temporary assignments to support local communities in comprehensive rural revitalisation initiatives.



## Development of industries

- In 2023, we invested RMB15.70 million to support the launch of 11 industrial development projects, including a red rice wine factory, a jackfruit processing factory, the expansion of the ‘Huang Shiniang’ pickled mustard production line, and initiatives focusing on the integration of agriculture, culture, and tourism. We enhanced mechanisms for connecting farmers to markets and provided assistance in technology, facilities, and marketing. These efforts have contributed to industrial development in these rural areas.
- We leverage our financial expertise to empower rural communities. In 2023, CITIC Futures and China Futures joined hands to launch 11 “insurance + futures” projects in designated districts and counties. These projects provide risk protection for over 1,154 rural households. They have paid over RMB2.788 million in compensation, effectively ensuring the safety, stability, and security of agricultural supply chains and safeguarding the vital interests of farmers.

## Talent development

- In 2023, we invested RMB3.03 million in a comprehensive training program for rural officials, technical personnel, and rural revitalisation leaders. More than 5,000 individuals participated in the program.
- CITIC Futures and China Futures joined forces to provide a training program aimed at providing young people and owners of large-scale farms in designated districts and counties with knowledge and understanding of insurance and futures markets, with 160 individuals participating in the program.
- CITIC Bank, CITIC Securities, CSC Financial, and CITIC Heye, under the coordination of CITIC Limited, offered training for 14 rural community officials.

## Environmental initiatives

- In 2023, we invested RMB7.62 million in various projects designed to enhance the rural living environment, address infrastructure gaps, and improve rural communities’ access to public services. These projects included construction of rural revitalisation demonstration sites, upgrading of rural toilets and domestic sewage treatment facilities, and improvement of relocation sites for poverty alleviation projects.

## Cultural initiatives

- We invested RMB1.27 million in four projects aimed at preserving and celebrating rural culture: The construction of the Muliang Village History Museum, literary lectures and training, documentation of the cultural heritage of the region, and the establishment of the Dream Bookstore. These initiatives demonstrate our commitment to meeting the cultural needs of rural residents.
- We launched the Rural Cultural Enrichment Project. Our Calligraphy and Painting Association visited Qianjiang District and crafted calligraphy pieces and paintings inspired by the local scenery and culture. They also hosted art seminars and donated artwork to the district. Association members volunteered their time to teach calligraphy and painting appreciation to over 300 students at Yucai Middle School in Qianjiang District.



We actively address the evolving needs of rural communities, fostering their transformation by supporting the development of local industries, promoting environmental sustainability, improving liveability, promoting positive social values and effective governance, and increasing residents' income. Through this multifaceted approach, we strive to create a future where residents experience a greater sense of well-being and happiness.



### Safe drinking water

- We invested RMB2.30 million in safe drinking water projects in five villages, ensuring access to clean water for both residents and livestock.



### Education

- In 2023, we allocated RMB6.83 million to support rural education projects in Yuanyang County, Pingbian County, and Qianjiang District. These projects included the construction of a canteen for CITIC Banpo Hope Primary School in Pingbian County, the CITIC scholarship program, and the renovation of Liangxinzhai Primary School in Yuanyang County.



### Healthcare

- We deployed medical teams to Yuanyang and Pingbian Counties. They provided training to 219 rural doctors, equipping them with essential TCM techniques, and offered consultations to nearly 100 local patients.
- We conducted physical health tests for 66 left-behind children at Zhulu Primary School in Yuanyang County and donated RMB87,000 worth of TCM equipment to Yuanyang and Pingbian counties.
- CITIC Securities, through its Charity Fund, donated TCM physiotherapy kits to 1,266 clinics in Lincheng, Yangyuan, Pingshan, and Ningwu counties in Hebei Province. This initiative aimed to enhance medical capabilities, improve the quality of medical services, and strengthen health protection for residents in these underserved rural areas.



### Publicity

- We partnered with 15 organizations, including COFCO, to embark on a collaborative effort for rural revitalisation in Yuanyang County. This partnership involved surveys and experience exchange meetings. By enlisting the help of our partners, we aimed to attract a wider range of resources and expertise to support rural revitalisation efforts.
- We partnered with Yuanyang County to host an event focusing on the Hani Rice Terraces, rural revitalisation, and the cultural tourism industry in the county. The rice seedling ceremony in Yuanyang County was broadcast live on the CCTV News app and received extensive coverage from other media outlets.





# Philanthropic Endeavours

CITIC Limited is committed to making a positive impact on society through a wide range of initiatives, including those focused on empowering children, supporting disadvantaged groups, building thriving communities, and protecting the environment. In 2023, we held regular social welfare promotion meetings, which provided a platform for our subsidiaries to share their best practices and for us to monitor progress in their social welfare initiatives and ensure the responsible use of allocated social welfare funds.

## Empowering Children

### Dream Centres

#### CITIC Bank

Through the Ai-Xin-Hui social welfare platform of CITIC Bank, cardholders can donate their reward points to support schools and children in underdeveloped and remote areas. As of the end of 2023, over 1.5 million cardholders had donated their reward points on the Ai-Xin-Hui platform. Their contributions funded the establishment of more than 210 Dream Centres (multimedia classrooms) and educational programs benefiting students in 28 provinces, municipalities, and autonomous regions in China.

### Caring for Children

#### CITIC Wealth under CITIC Bank

The two “Caring for Children” charitable products of CITIC Wealth raised a total of RMB2.082 billion (surpassing the RMB2.00 billion target). Suffice to say, the two products, designed to support children’s well-being, resonated strongly with investors. CITIC Wealth structured the “Caring for Children” products to minimize management fees. Furthermore, 50% of the excess income generated is donated to the China Organ Transplantation Development Foundation, and an additional 0.1% of the total revenue goes to the China Birth Defects Intervention and Relief Fund – all on behalf of the investors – to support the healthcare, education, and overall well-being of children.

### Dream Classrooms

#### CITIC Press

For many years, CITIC Press has been supporting rural schools in remote areas through its Dream Bookstores and Dream Classrooms programs. By the end of 2023, it had constructed Dream Bookstores in 30 primary schools, middle schools, and kindergartens. In 2023, the Dream Bookstores donated over 12,000 books and more than 100 bookshelves to these schools. The Dream Classrooms Program offers online courses on a variety of subjects, including history, art appreciation, writing, oral communication, and the Palace Museum. These courses have empowered over 3,000 primary school students to broaden their horizons and nurture their dreams.



CITIC Press’s Dream Classrooms Program brought educational resources to students in Yuanyang County and Pingbian County in Yunnan Province.



## Chun Yu Program

### CITIC Dicastal

The Chun Yu Program launched by CITIC Dicastal provides financial aid to students facing financial hardship in Qinhuangdao City, helping them stay on their education journey. The program raises funds to provide tuition assistance, scholarships, and essential school supplies to alleviate the financial burdens on those children. It also fosters meaningful connections with the students through regular school visits. These visits offer opportunities for mentorship and encouragement, helping students build the confidence and determination needed to pursue their academic goals.

### Dah Chong Hong

Dah Chong Hong (DCH) launched the Mai Miao Student Aid Program in 2021. By the end of 2023, the program had received an investment of RMB1.04 million and established four "Mai Miao" classes, each with 50 students, benefiting 200 students in total.

## Mai Miao Student Aid



Representatives from DCH Motors visited the class sponsored by the Mai Miao Student Aid Program.

## Autism Support Program

### CITIC Dicastal

CITIC Dicastal volunteers have made multiple visits to the Qinhuangdao Xingyao Autism School to organize charitable activities. Apart from providing school supplies, its volunteers have actively interacted with children with autism and leveraged games, art, and music to boost these children's learning and development and help them build communication skills. They are dedicated to raising public awareness and understanding of autism, with the ultimate goal of supporting children with autism on their journeys.



## case CITIC Prudential Fund: empowering the healthy development of young people

Since its establishment in 2005, CITIC Prudential Fund has been actively promoting common prosperity and fulfilling its corporate social responsibilities. Over the years, it has launched 12 social welfare projects in total. Its dedication to the education of minors has grown over time. It began by sponsoring individual students and then progressed to supporting the construction of schools in impoverished areas and spearheading the Treasure House Program, which is a support program for children who have moved with their families from rural areas to Shanghai in search of employment opportunities. It has been exploring diverse ways to address educational needs of young people.

Launched in 2020, the Treasure House Program has consistently impressed, receiving the CHINAFUND Yinghua Award for Best Social Welfare Practices every year from 2021 to 2022. This program addresses the educational needs of migrant children in Shanghai by establishing activity centres for them within residential compounds with high migrant populations. These centres, supported by committed volunteers, offer academic tutoring and opportunities for children to pursue their interests and hobbies. The Treasure House Program has received strong employee support at CITIC Prudential Fund. Its employees have actively participated in charity sales, the “Blue Envelope” project (which involves writing letters to migrant children), Lantern Festival charity events, book donations, and charity walks. These impactful actions demonstrate their commitment to nurturing the well-being and growth of young people.



In 2023, the CITIC Prudential Fund Choir teamed up with children from the Treasure House Program for a heartwarming musical collaboration. The video of them singing “I Am a Sunflower” together garnered widespread praise after its release on CITIC Prudential Fund’s WeChat Channel.



CITIC Environment provided school supplies to students at the Dimo Village Preschool Education Centre in Jueluo Township, Meigu County, Liangshan Prefecture.



CITIC Metal deployed a team of mental health professionals to the Central School of Shaba Town, Qianjiang District, Chongqing. Over a two-day period, this team provided mental health services to teachers, parents, and students.



## Supporting Disadvantaged Groups



### CITIC Limited

CITIC Limited is committed to supporting those facing hardship through initiatives like the “One Piece of Paper, One Act of Love” program. This program encourages employees to donate used books, clothes, and recyclable materials. Proceeds from selling these items are directed through the China Charity Federation to support underprivileged children battling illness. In 2023, our headquarters and subsidiaries, such as CITIC Financial Holdings and CITIC Bank, gathered over 2,000 kilograms of used clothing, newspapers, and periodicals. The proceeds from selling these items, along with our cash donations, were directed towards providing medical care for children with congenital heart disease from disadvantaged ethnic minority families in Xinjiang and Xizang.



### CITIC Dicastal

In 2023, employees of CITIC Dicastal paid multiple visits to the elderly residents at Renai Nursing Home and Xiyanghong Nursing Home in Qinhuangdao to offer warm holiday greetings, provide personalized services like massages and nail care, and organize fun-filled activities like dumpling-making. These thoughtful gestures have brought joy and companionship to these seniors.



### CITIC Metal

In 2023, CITIC Metal partnered with Orbis International, an international nonprofit organization dedicated to saving sight worldwide. It not only actively supported the Orbis World Sight Day 2023 but also raised funds to help global patients suffering from eye diseases regain their sight.



### CITIC Offshore Helicopter

CITIC Offshore Helicopter has actively participated in maritime search and rescue operations, emergency medical transport, and joint exercises. In 2023, the Beijing-Tianjin-Hebei region was struck by several floods. CITIC Offshore Helicopter played a crucial role in the rescue and relief operation in Zhuozhou, Hebei Province. Their swift actions led to the successful rescue of 49 people and timely delivery of relief supplies weighing 7,500 kilograms. After receiving a report of stranded tourists in a remote area of Haixi Prefecture, Qinghai Province, CITIC Offshore Helicopter swiftly dispatched helicopters to join the search and rescue operation, ensuring the safe evacuation of seven tourists. It also offered air ambulance services, completing several emergency medical flights to offshore oil platforms and assisting in medical rescue and transfer missions.



CITIC Offshore Helicopter deployed its helicopters to Zhuozhou, Hebei to assist in flood rescue and relief efforts.



Employees of CITIC Limited embraced the spirit of giving by donating used items to the “One Piece of Paper, One Act of Love” program.

## Building Thriving Communities

At CITIC Limited, we acknowledge our responsibility to be a positive force in the communities where we operate. We actively engage with local stakeholders to understand their needs and expectations, and support local development and cultural initiatives. Through these efforts, we aim to build a foundation for sustainable growth for both CITIC Limited and the communities we serve.

### In Chinese Mainland



#### Supporting the development of the agricultural workforce

#### 📍 CITIC Agriculture

Longping High-Tech, a subsidiary of CITIC Agriculture, has launched the “Yun Shang Zhi Nong” app, an online learning platform for farmers. The app offers online courses on farming techniques, animal production, agricultural machinery operation, aquaculture practices, and agricultural business management, and equips farmers with the skills and knowledge needed to succeed in modern agriculture and contribute to rural revitalisation. As of the end of 2023, this platform has amassed over 90 million video views and 42.82 million hours of training time. CITIC Agriculture has launched a nationwide program to equip 100 farmers with the skills and knowledge needed to drive rural revitalisation.



#### Organizing free clinics

#### 📍 CITIC Pacific Health

CITIC Pacific Health prioritizes the well-being of communities where it operates by addressing the diverse medical and health needs of local residents. Through initiatives like health lectures and community free clinics, it raises awareness about important health topics and empowers residents to adopt self-care practices. Through these efforts, it strives to help reduce the incidence of chronic diseases and complications, ultimately improving the overall quality of life of residents in communities they serve.



#### Protecting cultural heritage

#### 📍 CITIC Urban Development & Operation

Shantou Binhai New Town Investment Development Co., Ltd., a subsidiary of CITIC Urban Development & Operation, collaborated with the local government to host a spectacular Yingge dance performance in 2023, which attracted nearly 30,000 viewers. The event stood as a testament to the enduring vitality of China's rich cultural heritage.

### Outside Chinese Mainland



#### Hong Kong and Macao

#### 📍 CITIC Limited

The CITIC Hong Kong and Macao Employees Association makes a positive impact on the lives of others through heartfelt initiatives like the CITIC Community Care Program. This program allows them to connect with the community by visiting elderly residents living alone and families in need.



#### North Africa

#### 📍 CITIC Construction

In the wake of devastating floods in Angola, Algeria, and other regions, CITIC Construction sprang into action to provide immediate disaster relief. They leveraged the Centro de Formação Profissional BN-Angola da CITIC building as a temporary refuge for displaced residents and provided essential supplies like mattresses, bedding, food, and daily necessities, helping those affected overcome the hardships they faced. They actively assisted the Algerian government with flood relief efforts, minimizing damage to public safety and infrastructure.



#### Central Africa

#### 📍 CITIC Resources

Located in the The Democratic Republic of Congo is in central Africa, the Kamo-Kakula Copper Complex, operated by Ivanhoe Mines, a subsidiary of CITIC Resources, is committed to giving back to the local community. It has contributed to local infrastructure by repairing hydropower stations and constructing drinking water facilities. These efforts ensure long-term access to clean, reliable electricity and safe drinking water for over 10,000 residents.



#### Southeast Asia

#### 📍 CITIC Resources

CITIC Resources' Seram project in Indonesia implements a diverse range of community engagement policies and programs. These policies and programs focus on four areas: education, health, economic empowerment, and environmental stewardship. By the end of 2023, CITIC Resources had supported the construction of a football school and assisted in mangrove restoration efforts in Indonesia, contributing to the health of the local ecosystem.



- Shantou Binhai New Town Investment Development Co., Ltd. collaborated with the local government to host a spectacular Yingge dance performance in 2023.



- CITIC Pacific Health organized a community free clinic.



- CITIC Construction donated relief supplies to residents affected by the floods in Luanda.



- Employees of CITIC Limited in Hong Kong participated in a community engagement activity.





# Enriching the Cultural Lives of Citizens

At CITIC Limited, we recognize the importance of a thriving cultural landscape for our communities. We cater to the diverse knowledge and cultural needs of residents by exploring various facets of the cultural industries. Our commitment extends beyond simply offering knowledge services and cultural products. We actively promote reading initiatives and the appreciation of fine arts, striving to make these enriching experiences accessible to all.

## Promoting Equitable Access to Reading

CITIC Press believes in knowledge. It actively promotes universal reading and lifelong learning and is committed to enriching lives by providing high-quality cultural content, fostering a passion for reading among members of the general population, and integrating reading into their everyday life.



In the past two years, CITIC Press has been a proud donor to the National Conference on Reading's book donation program, contributing 3,000 high-quality books, valued at RMB200,000. It has also signed an agreement with China Braille Press to provide accessible formats for people with visual impairments and print disabilities in accordance with the Marrakesh Treaty.

CITIC Press is dedicated to bringing high-quality literature to readers across China. They actively participate in major book fairs like the National Book Fair, the Shanghai Book Fair, and the Beijing Ditan Park Book Fair, showcasing a diverse selection of publications. From social sciences, economics, and management to works of literature, art, lifestyle guides, and children's books, CITIC Press offers something for every reader. They also host exciting events like new book launches, author talks, and book signings. Their commitment to these events is met with positive feedback from readers. Participating in book fairs has not only allowed CITIC Press to make a positive social impact but also gain economic benefits.

CITIC Press forges innovative partnerships across industries to revolutionize reading experiences, making high-quality content accessible anytime, anywhere, for everyone. It is committed to catering to the diverse reading preferences of individuals across all walks of life and in every imaginable situation.





## Championing Culture and Sport



### Beijing Music Festival

The Beijing Music Festival is a landmark cultural event in Beijing. This event not only fosters the development of music culture but also serves as a platform for international cultural exchange. The Beijing Music Festival goes beyond the stage. Throughout the festival, a series of educational and public welfare activities, including children's concerts, student concerts, and master classes led by renowned artists, are held. These activities allow students, teachers, and music lovers to interact with artists and learn from the masters from around the world. For 12 consecutive years, CITIC Limited has been a proud chief sponsor of the Beijing Music Festival. The Beijing Music Festival 2023 embraced the theme "Music, Youth, Future, Attitude", providing a platform for talented young musicians to showcase their skills and connect with each other and audiences. A series of charity performances, including children's concerts, master classes, lectures on the appreciation of music, public rehearsals, and artist talks, were held during the festival, aiming to enhance the public's musical literacy and enrich the cultural lives of citizens.



### Chinese Women's Go League (A-League)

For the past ten years, the CITIC Heye Cup Chinese Women's Go League (A-League) has been a driving force in the development of this strategic game amongst women in China. The League has played a significant role in securing China's historic first Go gold medal at the Asian Games. The "Rural Revitalisation & Travel in China" program has seen the League travel across 25 provinces, municipalities, and autonomous regions. The League has funded 48 "Hope Go Classrooms", effectively promoting Go as an exceptional traditional Chinese cultural art form and fostering development and innovation within the game.



The 10th CITIC Heye Cup Chinese Women's Go League (A-League) concluded in Zhangjiakou City, Hebei Province.

# Employer-Sponsored Volunteerism

At CITIC Limited, we are passionate about fostering a culture of volunteerism among our employees. We actively support our subsidiaries in establishing volunteer service groups. This dedication has led to a network of over 30 youth volunteer groups, made up of more than 12,500 young volunteers across the entire CITIC system.



The Dah Chong Hong volunteer team visited the students sponsored by the DCH Motors Mai Miao Student Aid Program in Yunlong County, Yunnan Province and brought joy to the children living in this remote mountainous area.

## CITIC Bank

Founded in 2014, CITIC Bank's Youth Volunteers Association is committed to promoting the spirit of volunteerism and cultural progress, contributing to a harmonious society built on solidarity, mutual support, equality, kindness, and collective progress. In 2023, it organised 804 volunteering activities across diverse fields, including rural education, elderly care, support for sick children and vulnerable groups, environmental protection, blood donation, charity sales, and frontline assistance during epidemics. With nearly 15,000 hours of service and over 12,000 young employees participating, the Association made a significant impact in 2023.

## CITIC Metal

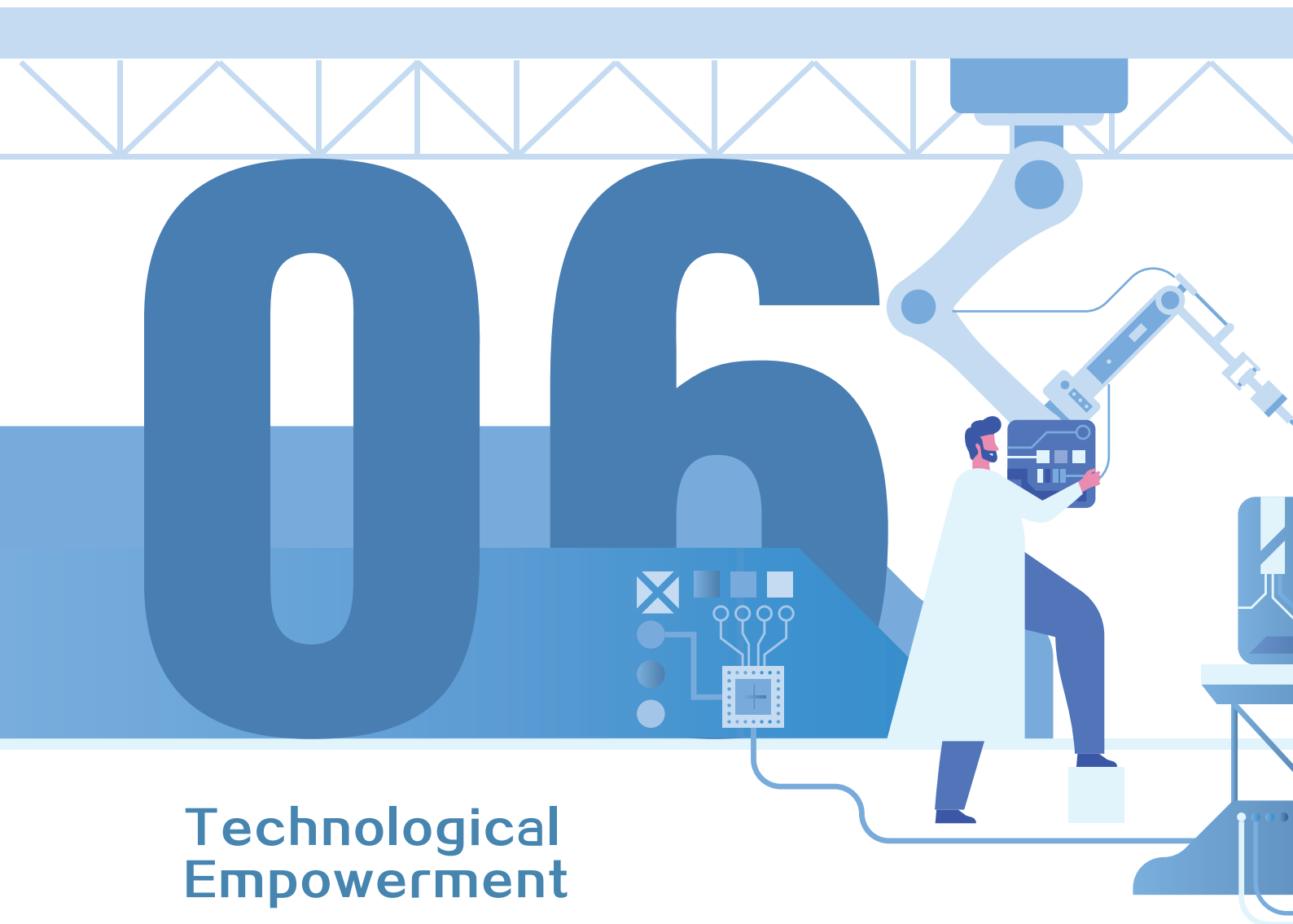
CITIC Metal Group's volunteer service team makes a difference through a variety of social initiatives, including blood donation, environmental protection, and senior adult and underprivileged children support programs. They inspire young people to embrace the spirit of volunteerism and find their own ways to contribute.

## CITIC Heavy Industries

CITIC Heavy Industries has launched a volunteer program called "Blue Vests in Action". This program engages employees in providing guided tours at various exhibition halls, including its history museum, science and technology museum, and the Jiao Yulu Memorial Hall. These volunteers have delivered over 1,100 guided tours, enriching the experiences of more than 33,000 visitors, including primary and secondary school students. In 2023, its employees actively participated in over 400 volunteer activities, including activities of environmental cleanup, flood relief, and recycling programs.

## Dah Chong Hong

Dah Chong Hong has established volunteer teams in both Chinese Mainland and Hong Kong. In celebration of the 26th anniversary of the Hong Kong Special Administrative Region's establishment, around 30 volunteers from Dah Chong Hong delivered Dah Chong Hong food products to 190 underprivileged families in Cheung Chau. They also cleaned fans and conducted gate security inspections for elderly residents living alone, and organized a visit to LEGOLAND Discovery Centre Hong Kong for children with special educational needs from low-income families. This activity effectively fostered a strong sense of community spirit.

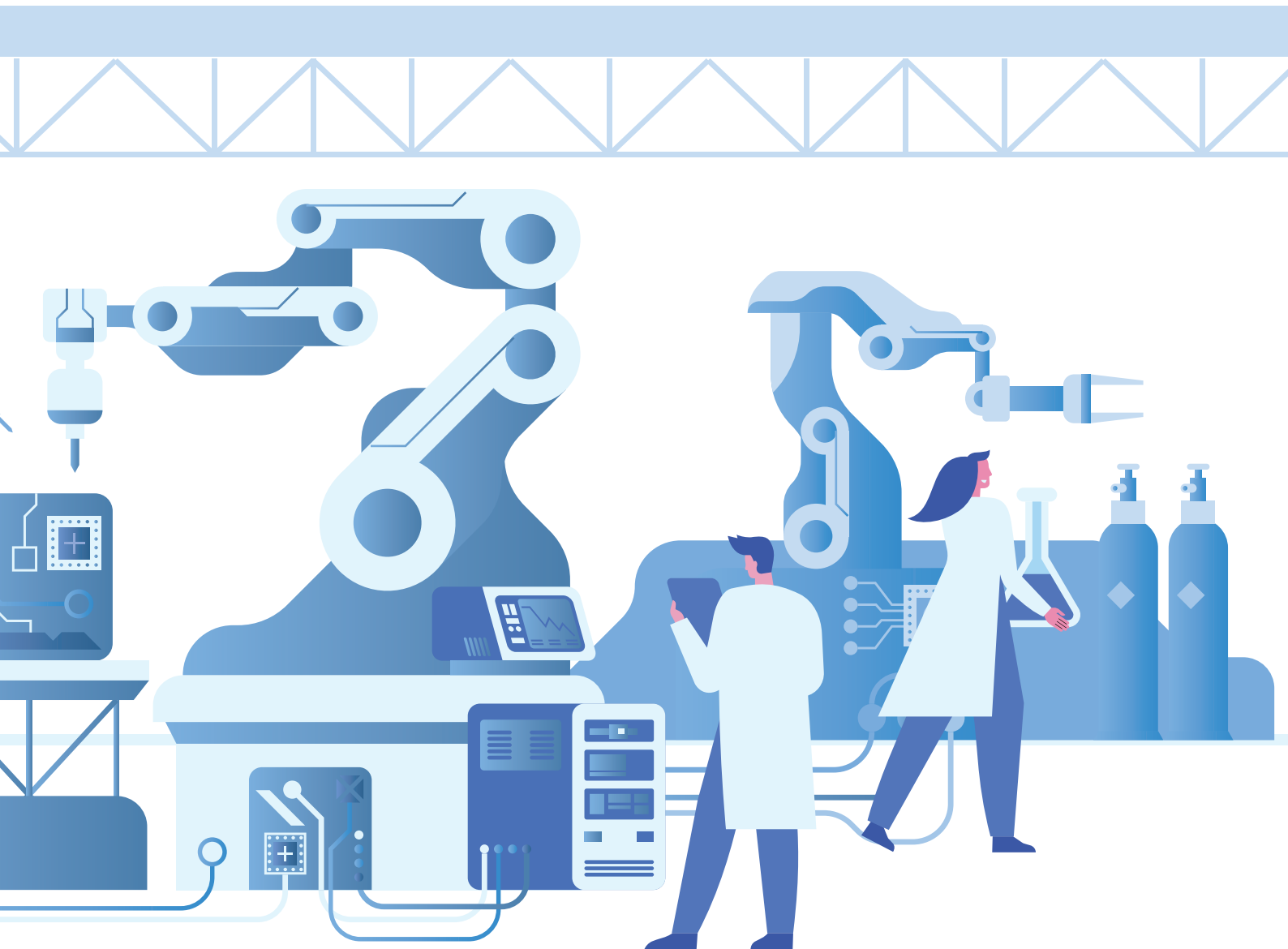


# Technological Empowerment

## Powering Digital Transformation and Driving Technological Innovation

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Technological innovation is a novel engine and mechanism that drives outstanding growth. Digital technology and other emerging technologies are reshaping growth models and core competencies of businesses and redefining the values that guide corporate development. At CITIC Limited, innovation is at the heart of our development strategy. We continuously invest in strategic and cutting-edge technological advancements. By fostering innovation in key and proprietary technologies, we contribute to the development of new quality productive forces. We actively leverage artificial intelligence, blockchain, Internet of Things, big data, and other emerging technologies to unlock new opportunities. By embracing digital transformation, we empower comprehensive business upgrades and accelerate our progress towards higher-end, smarter, and greener development. Our goal is to become a leading technology-driven corporation, injecting new momentum into sustainable economic growth.





## Honours and Awards



In 2023, CITIC Limited won **31** provincial scientific and technological awards, **10** renowned industry-level awards, and **19** awards sponsored by industry associations or competition organizers



CITIC Bank received the Jinsong Awards –  
**Technological Innovation Achievement Award**  
sponsored by mpaypass.com



For the first time, CITIC Dicastal entered the ranking of **“world-leading mechanical engineering companies”**  
The “Data-driven key technology development and application of intelligent manufacturing of automotive chassis aluminium castings” project led by CITIC Dicastal won **the first prize of Science and Technology of China Society of Automotive Engineering**.



CITIC Dicastal was named **“National Industrial Design Center”, “Manufacturing Champion”,**  
and **“Key Large-scale Enterprise in the Machinery Industry”**



CITIC Heavy Industries won the **2023 Scientist Spirit Promotion Center Award** sponsored by seven organizations, including China Association for Science and Technology (CAST)



Jiangyin Xingcheng Special Steel Works built the world's first **Lighthouse Factory** in the special steel industry



CITIC Heavy Industries won the **National Smart Manufacturing Scenario Award** sponsored by the Ministry of Industry and Information Technology of the People's Republic of China



CITIC Bank's inclusive finance digitisation program won **first prize of the Fintech Progress Awards** sponsored by the People's Bank of China



Daye Special Steel and Tongling Pacific Special Materials won the 2023 **Model Smart Manufacturing Factory Award** and the 2023 **Smart Manufacturing Scenario Award**, sponsored by the Ministry of Industry and Information Technology of the People's Republic of China, respectively



China Securities won the 2023 **Fintech Innovation Excellence Award** sponsored by *People's Daily* and *International Finance News*



# Accelerating Scientific and Technological Innovation

At CITIC Limited, we believe scientific and technological innovation is the cornerstone of high-quality development. We are committed to continuously optimizing our innovation ecosystem and capabilities, empowering our affiliated companies to take the lead in scientific and technological innovation. This approach fosters a virtuous cycle where technology, industry, and finance work in harmony to propel sustainable growth. We place great importance on the significant role of new quality productive forces in advancing our high-quality development. In our 14th five-year plan, we explicitly propose to “build a domestically leading and internationally renowned technology-driven enterprise conglomerate of excellence. Our vision is to establish ourselves as a leading provider of proprietary technologies and a hub for scientific and technological innovation. This commitment is evidenced by the numerous high-tech companies within our diverse financial and industrial portfolio and our impressive results in scientific research and innovation.

## Improving the Scientific and Technological Innovation System

CITIC Limited has developed a comprehensive Science and Technology Development Plan to strengthen key areas like overall structure, incentive programs, facilitation of scientific research projects, and innovation capabilities. We have established a Scientific and Technological Innovation Committee and a Scientific and Technological Innovation Expert Committee to ensure strategic direction. These committees work collaboratively with the top scientific and technological talent across our affiliated enterprises to build a collaborative innovation ecosystem.

The Scientific and Technological Innovation Committee serves as a strategic decision-making body, guided by our senior management. Headed by the President and the Vice-President overseeing scientific and technological innovation, digitalization, and advanced intelligent manufacturing, this committee tackles critical issues related to our technological advancement. Their core responsibilities include: Researching and making decisions on major scientific and technological innovation initiatives, overseeing the development of a robust innovation ecosystem, developing plans for the construction of our scientific and technological innovation system, managing major research projects, and assessing candidates for science and technology awards.

The Scientific and Technological Innovation Expert Committee provides guidance for our innovation decision-making. Comprising leading talent from our subsidiaries and renowned industry experts, the committee is tasked with reviewing major scientific research projects, conducting evaluations for science and technology awards, providing strategic counsel on our overall technological planning and direction and key innovation decisions, and supporting our technological innovation initiatives.

In July 2023, we took a major step forward in fostering innovation by establishing the CITIC Science and Technology Association. This association is designed to cultivate an open innovation ecosystem, empower our scientific and technological workforce to conquer key technological challenges, accelerate the development of proprietary technologies, and solidify our position as a leader in innovation. It underscores our commitment to becoming a truly outstanding tech company.







## CITIC Science and Technology Development Plan (2021-2025)

### Supporting Project 211 and enhancing scientific and technological innovation capabilities

We will establish ourselves as a vibrant hub for cutting-edge research, strive to become a leading provider of proprietary technologies, pioneer green and low-carbon development, and serve as an engine for the development of emerging industries.

### Building an Integrated scientific and technological innovation system and harnessing the potential of collaborative innovation

We will improve our decision-making system, optimize our execution system, and optimize rules and regulations. In addition, we will also enhance the support system and develop effective policies and mechanisms to support our scientific and technological innovation system.

### Optimizing R&D Resource Allocation

We have implemented a performance-driven R&D incentive mechanism. This mechanism ties appraisal of investment decisions to return on R&D investment and incentivizes our subsidiaries to increase and diversify their R&D investments strategically. We also support major R&D projects of subsidiaries through dedicated research funds. These funds empower subsidiaries to develop core technologies. In 2023, our investments in technology increased by 26%, with a technological investment intensity of 3.34%, marking a rise of 0.62 percentage points compared to 2022.

#### CITIC Dicastal

CITIC Dicastal dedicates 3% of its annual sales revenue to R&D every year. This investment fuels advancements in material research, product design, process technology, experimental techniques, and artificial intelligence (AI). In 2023, it established the CITIC Dicastal Science and Technology Association. This association is responsible for overseeing project evaluation, technical assessments, and achievement recognition, providing consultancy services and tech support, and recognizing and recommending outstanding scientific and technological professionals.

#### CITIC Heavy Industries

CITIC Heavy Industries has established an innovation system comprising the Innovation and Research Institute, the New Energy Equipment Research Institute, the Mining Research Institute, the Metal Processing and Materials Research Institute, the Engineering Institute, the Robotics and Intelligent Equipment Institute, and the Information Technology Centre (Big Data Centre). It also boasts a top-tier R&D and industrialization centre for specialized industrial robots and a team of over 1,600 technological professionals.

#### CITIC Holdings

CITIC Holdings is at the forefront of the industrial intelligence revolution. It makes a continual effort to strengthen its independent innovation capabilities by increasing R&D investments and establishing four industrial intelligence laboratories. In 2023, its R&D expenses increased over 100% compared to the previous year.



In 2023, our investments in technology increased by **26%**, with a technological investment intensity of 3.34%, marking a rise of 0.62 percentage points compared to 2022.



## Spearheading innovation across five major sectors

- Comprehensive Financial Services: We will strive to become a leader in this sector through innovation and technological empowerment.
- Advanced Intelligent Manufacturing: We will strive to secure a leading market position in this sector by leveraging smart technologies.
- Advanced Materials: We will improve the security of the supply chain in this industry through enhanced specialisation and technological innovation.
- New Consumption: We will leverage digital technology to promote new consumption trends.
- New Urbanisation: We will aim to pioneer the development of smart cities by harnessing the power of green technology.

### Increasing Investment in Research on Key Technologies

CITIC Limited focuses on key areas such as selective breeding, equipment manufacturing, advanced materials, and financial technology.



#### Selective breeding

##### 📍 CITIC Agriculture

In 2023, the national special corn project led by Longping High-Tech, a subsidiary of CITIC Agriculture, passed the mid-term inspection of the Ministry of Agriculture and Rural Affairs of the People's Republic of China, and 39 new rice varieties and 22 new corn varieties that it cultivated independently or in collaboration with others passed the inspection of the competent authorities and 5 high-yielding varieties were designated as key varieties for agricultural production by the Ministry of Agriculture and Rural Affairs.



#### Equipment manufacturing

##### 📍 CITIC Heavy Industries

In 2023, CITIC Heavy Industries formulated the *Plan for Improving Core Equipment Production Capacity 2023*. This plan focused on developing a lineup of groundbreaking new products that meet international standards and incorporate cutting-edge technologies. Some of these exciting new products include the world's largest gyratory crusher, high-pressure roller mills, SAG mills, ball mills, and vertical stirred mills.



We are increasing R&D investments in these areas.

In 2023, we were honoured with **31** provincial and ministerial-level science and technology awards, as well as 10 prestigious industry awards. Moreover, we secured a total of 1,784 new patents, out of which 629 were invention patents. Our patent portfolio reached an impressive milestone of 9,972 effective patents, demonstrating a notable year-on-year growth of 21.65%.



#### Advanced materials

##### 📍 CITIC Pacific Special Steel

CITIC Pacific Special Steel is at the forefront of advanced material development, actively participating in important national R&D initiatives like the "863 Program" and the "Torch Program". In 2023, it achieved breakthroughs in several key areas, including development of steels for critical aircraft parts, iron-nickel alloys for next-generation green engines, and high-performance pipelines for submarine oil and gas transportation (engineered to withstand high temperatures and pressures and resist corrosion).

##### 📍 CITIC Metal

CITIC Metal Group is actively driving innovation in metal materials. It has been developing alloy containing chromium, rhenium, and other metals engineered to withstand high temperatures. Its subsidiary Jinzhou Metal has successfully developed high-purity chromium, a material for aircraft engine turbine blades. This material has entered large-scale production, filling a gap in the domestic market.

## Participating in the Development of Industry Standards

CITIC Limited understands the significance of standardization and actively contributes to the development of international standards in collaboration with global standardization organizations. By leveraging these standards, we facilitate the advancement of high-tech innovations, drive industry upgrading, and foster a dynamic relationship between standardization and technological progress. By the end of 2023, the CITIC Limited had participated in the development of 584 standards. In 2023 alone, we contributed to the formulation of 56 standards, including leading the formulation of 15 national and industry standards and participating in the development of two international standards and 39 other standards.

### 📍 CITIC Heavy Industries

CITIC Heavy Industries actively participates in the formulation of international standards in the mining equipment sector. In 2023, it participated in the ISO/TC 82 meeting, providing updates on the progress in developing the two international standards: ISO 22936-6 “Mining Vocabulary Mine hosting equipment” and ISO 12848 “Mine hoists and mine winders – Safety requirements.” It also spearheaded the development of six national standards, including “Mining machinery terminology – Part 1: Mining equipment” (GB/T 7679.1-2023), and led or participated in the establishment of seven mining machinery industry standard development projects, including “Mine High-Pressure Grinding Roll” (2023-0816T-JB). These efforts have solidified CITIC Heavy Industries’ position at the forefront of technological advancements in high-end mining equipment.



In 2023, we contributed to the formulation of **56** standards, including leading the formulation of 15 national and industry standards and participating in the development of two international standards and 39 other standards.

### 📍 CITIC Metal

CITIC Metal’s subsidiaries have also actively participated in the development of standards. In 2023, CITIC Titanium contributed to the development of nine national, industry, and group-level standards. CITIC Jinzhou Metal led the revision of the national standard for chromium metal and the development of the industry standard for electrolytic chromium, which has already received approval from the relevant authorities.

### 📍 CITIC Environment

CITIC Environment and its subsidiaries, including the Central & Southern China Municipal Engineering Design and Research Institute and CITIC General Institute of Architectural Design and Research, have published 78 industry and group-level standards. They are currently taking the lead or participating in the development of 80 industry standards and specifications, including *Guidelines for Urban Smart Water*.



# Developing Digital Applications

At CITIC Limited, we keep track of trends in artificial intelligence (AI) and are actively strengthening our digitalization strategy through top-level design. This includes exploring the development of decision-making frameworks, execution plans, investment strategies, and talent acquisition programs specifically tailored to our digital transformation journey. We have established a dedicated committee to coordinate and drive digital transformation initiatives across the Company. By fostering innovation in digital applications, we are continuously transforming and upgrading our business models in key areas like smart finance, smart manufacturing, smart cities, smart agriculture, and smart publishing.

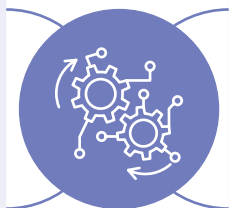
## Digital Transformation Strategy

In 2023, CITIC Limited charted a clear course for our digital future with the launch of a digital transformation strategy. This strategy prioritizes two aspects: cloud-based management and digital applications. It empowers us to build robust data management capabilities and a strong infrastructure foundation, thereby propelling CITIC Limited to a new level of digitalisation and paving the way for the shaping of a smart and efficient Digital CITIC.



### Cloud-based Management

We take our digital transformation efforts to the next level by expanding our headquarters' digital management platform into a company-wide intelligent platform. This enhanced system facilitates the adoption of a more look-through approach to management, empowering our subsidiaries with more efficient management.



### Digital Applications

CITIC Limited is committed to unlocking the potential of digital innovation within our subsidiaries. Our goal is to be a leader in digitalisation across our five major sectors. In Advanced Materials, we are striving to become a pioneer in digitalisation. In Advanced Intelligent Manufacturing, our focus is on accelerating the transition to intelligent manufacturing and the development of first-class industrial IoT platforms in vertical fields. In Comprehensive Financial Services, we are driving business transformation through Fintech innovation. In New Consumption, we are building our own cloud, network, AI, and security infrastructure to enhance digital consumption experiences. In New Urbanisation, we focus on developing smart cities and promoting BIM volume applications.

## Zhanfang Cup Digital Application Competition

In 2023, we launched the first Zhanfang Cup Digital Application Competition to promote digital innovation. The theme of this competition was empowering industries through AI. Its key objectives were to discover innovative AI applications and unlock innovation potential across the Company; to promote the integration of AI into industries; to demonstrate the transformative power of AI through cutting-edge applications; and to further unlock the digital potential of our subsidiaries. It identified applications with the potential to drive CITIC Limited's digital transformation and propel us towards a future driven by intelligent technologies.

The Zhanfang Cup Digital Application Competition generated a tremendous response, attracting 154 projects vying for prizes. These projects spanned six areas: Smart Finance, Smart Manufacturing, Smart Living, Smart Cities, Smart Management, and New Digital Infrastructure. After a rigorous judging process by a panel of 49 experts, 33 finalists were selected. The competition culminated in a thrilling finale, where CITIC Pacific Special Steel's Centralized Control-based, Multi-process, Multi-base Pre-ironmaking Digital Collaboration

Project secured the coveted special prize. Four projects, including CITIC Dicastal's Industrial IoT-Empowered Intelligent Manufacturing Collaboration System, were awarded the first prize. Seven projects, including the CITIC Smart Water Cloud Platform, received the second prize, while three projects, including CITIC Pacific Properties' Smart Finance Digital Transformation Project, won the third prize. Eighteen projects, including CITIC Pacific Special Steel's Smart Factory for the Manufacturing of High-Quality Special Steel Bar, received the consolation award.

The Zhanfang Cup Competition, spanning nearly four months, featured an impressive array of top-tier projects. These projects harnessed cutting-edge technologies such as AI, big data, 5G, and blockchain. Several projects have clinched provincial and ministerial awards for their pivotal role in spearheading the transformation of traditional industries. Some projects have not only delivered significant economic benefits but also made substantial social contributions, underscoring CITIC Limited's commitment to its role as an enterprise owned by the central government.

### Case Digital and AI innovations empower lighthouse factories

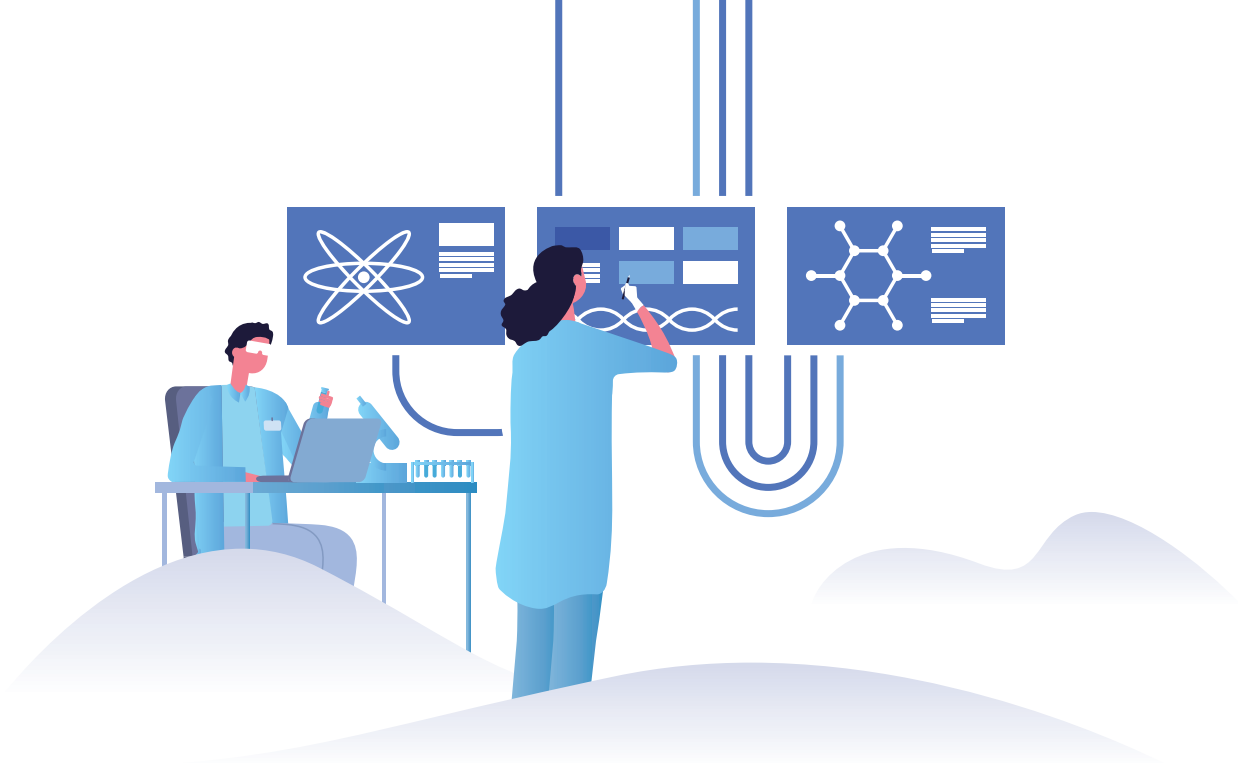
CITIC Pacific Special Steel recognises intelligent manufacturing as a key driver of high-quality development. Understanding the unique characteristics of their business – multiple varieties, small-batch production, complex processes, and stringent technical standards – it has crafted a customized intelligent manufacturing program that aligns with industry guidelines. This program prioritizes green manufacturing practices and sustainable development goals. CITIC Pacific Special Steel has implemented over 40 cutting-edge Industry 4.0 use cases, including big data-driven, customised manufacturing process design, multi-modal simulation for blast furnace transparency ("black-box" model), and intelligent closed-loop control for continuous improvement of the steelmaking process. By embracing these intelligent manufacturing technologies, CITIC Pacific Special Steel has fostered a new collaborative manufacturing model that emphasizes efficiency, intelligent cooperation, and a commitment to low-carbon practices.

In December 2023, the World Economic Forum announced a new cohort of lighthouse factories. Xingcheng Special Steel, a subsidiary of CITIC Pacific Special Steel Group, is the first and only lighthouse factory in the global special steel industry. It is the second lighthouse factory of CITIC Limited, following CITIC Dicastal. Joining the Global Lighthouse Network in 2021, CITIC Dicastal is the world's first lighthouse factory in the aluminium wheel industry. These lighthouse factories illuminate CITIC Limited's way ahead for a digital future.



Digital Centre of CITIC Pacific Special Steel





## Case CITIC Limited showcases innovative digital applications at the World Artificial Intelligence Conference (WAIC) 2023

On July 6, 2023, WAIC 2023 kicked off at the Shanghai World Expo Exhibition and Convention Centre. CITIC Limited, along with over 20 of its subsidiaries, made a presence with their innovative digital applications in the “Innovative Applications” section. CITIC Limited held the AI, Industry and Finance Collaboration Forum on the sidelines of WAIC. Themed “Smart CITIC: Creating Possibilities Together”, the forum brought together domestic and international scholars, industry experts, and renowned investors to discuss the latest advancements and trends in artificial intelligence. Discussions focused on CITIC Limited’s approach to harnessing the power of AI for success in various industries.



“The Future of Connectivity: Powered by AI” CITIC Exhibition Area at WAIC 2023



# Appendix

## Compilation of Key ESG Performance

### Environmental Performance

Unless otherwise specified, the statistical scope of environmental performance results in this section covers the main operating locations of the headquarters and subsidiaries in the Chinese mainland, Hong Kong, Macau, and Taiwan. Additional operating locations will be included in the statistical scope in the future.<sup>1</sup>

Headquarter	Indicators	2023
	<b>WASTE GAS</b>	
	Nitrogen oxide (NOx) emissions (tonnes)	0.01
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	0.0008
	<b>GREENHOUSE GASES</b>	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	1,541.29
	Per capita greenhouse gas emissions from headquarters (tonnes/person)	3.13
	Direct greenhouse gas emissions (Scope 1) (tonnes)	118.40
	—— Gasoline	118.40
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	1,422.89
	—— Purchased electricity	1,422.89
	<b>WASTE</b>	
	Total amount of hazardous waste (tonnes)	0.28
	Per capita hazardous waste emissions from headquarters (tonnes/person)	0.0006
	Total amount of non-hazardous waste (tonnes)	258.79
	Per capita non-hazardous waste emissions from headquarters (tonnes/person)	0.52

<sup>1</sup> The GHG inventory includes carbon dioxide, methane and nitrous oxide. Greenhouse gas emission is presented as carbon dioxide equivalent. It is mainly calculated according to IPCC Guidelines for National Greenhouse Gas Inventories (2006, 2019 Edition), the IPCC Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC), National standard of the People's Republic of China General Principles for Calculation of Total Energy Consumption (GB/T 2589-2020), the Notice on Doing Well in the Report Management of Greenhouse Gas Emissions of Enterprises in Some Key Industries from 2023 to 2025 released by Ministry of Ecology and Environment of the PRC, carbon intensity data from HK Electric Investments Sustainability Report 2022, carbon intensity data from CLP Holdings Limited 2022 Sustainability Report, and Requirements for Carbon Dioxide Emission Accounting and Reporting issued by the Beijing Municipal Administration for Market Regulation.

The energy consumption data is mainly calculated according to the consumption of electricity and fuel and the relevant conversion factors provided in National standard of the People's Republic of China General Principles for Calculation of Total Energy Consumption (GB/T 2589-2020).

Headquarter	Indicators	2023
<b>ENERGY CONSUMPTION</b>		
	Total energy consumption (MWh)	2,978.49
	Per capita energy consumption from headquarters (MWh/person)	6.04
	Direct energy consumption (MWh)	483.51
	—— Gasoline	483.51
	Indirect energy consumption (MWh)	2,494.98
	—— Purchased electricity	2,494.98
	Electricity consumption per capita at headquarters (MWh/person)	5.06
	Gasoline consumption per capita at headquarters (Litre/person)	112.93
<b>RESOURCE CONSUMPTION</b>		
	Total water consumption (m <sup>3</sup> )	23,227.00
	Water consumption per capita at headquarters (m <sup>3</sup> /person)	47.11
	Total paper consumption at headquarters (tonnes)	17.75
<b>Comprehensive Financial Services<sup>2</sup></b>		
	<b>Indicators</b>	<b>2023</b>
<b>WASTE GAS</b>		
	Nitrogen oxide (NOx) emissions (tonnes)	0.37
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	0.02
<b>GREENHOUSE GASES</b>		
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	192,092.63
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	71.66
	Direct greenhouse gas emissions (Scope 1) (tonnes)	6,495.12
	—— Gasoline	2,969.83
	—— Diesel	10.91
	—— Coal gas	2.63
	—— Liquefied petroleum gas	50.38
	—— Natural gas	3,461.38

<sup>2</sup> In addition to related subsidiaries, the statistical scope of this section also includes CSC Financial Co., Ltd. and CITIC-Prudential Life Insurance Co., Ltd.

Comprehensive Financial Services <sup>2</sup>	Indicators	2023
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	185,597.52
	—— Purchased electricity	185,597.52
	<b>WASTE</b>	
	Hazardous waste total (tonnes) (tonnes/RMB100 million)	339.16
	Hazardous waste per RMB100 million of revenue	0.13
	Non-hazardous waste total (tonnes)	1,487.32
	Non-hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	0.55
	<b>ENERGY CONSUMPTION</b>	
	Total energy consumption (MWh)	354,309.32
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	132.18
	Direct energy consumption (MWh)	30,117.79
	—— Gasoline	12,127.85
	—— Diesel	41.51
	—— Coal gas	19.56
	—— Liquefied petroleum gas	227.11
	—— Natural gas	17,701.77
	Indirect energy consumption (MWh)	324,191.53
	—— Purchased electricity	324,191.53
	<b>RESOURCE CONSUMPTION</b>	
	Total water consumption (m <sup>3</sup> )	2,526,794.89
	Water consumption per RMB100 million of revenue (m <sup>3</sup> /RMB100 million)	942.67
	Paper consumption at headquarters (tonnes)	1,326.99
Advanced Intelligent Manufacturing	Indicators	2023
	<b>AIR EMISSIONS</b>	
	Nitrogen oxide (NOx) emissions (tonnes)	123.33
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	16.61
	Particulate matter emissions (tonnes)	82.66
	<b>WASTEWATER</b>	
	Chemical oxygen demand (COD) emissions (tonnes)	93.07
	Ammonia nitrogen emissions (tonnes)	5.55

Advanced Intelligent Manufacturing	Indicators	2023
	Total phosphorus emissions (tonnes)	1.17
	Wastewater discharge (m <sup>3</sup> )	659,061.00
	<b>GHG EMISSIONS</b>	
	Total GHG emissions (Scope 1 and 2) (tonnes)	702,807.33
	GHG emissions per 100 million RMB of income (tonnes/100 million RMB)	1,393.52
	Direct GHG emissions (Scope 1) (tonnes)	260,466.32
	—— Gasoline	598.83
	—— Diesel	1,392.06
	—— Liquefied petroleum gas	45.36
	—— Natural gas	258,430.08
	Indirect GHG emissions (Scope 2) (tonnes)	442,341.00
	—— Purchased electricity	423,356.87
	—— Purchased steam	18,984.13
	<b>WASTE</b>	
	Total hazardous waste (tonnes)	13,351.91
	Total hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	26.47
	Total non-hazardous waste (tonnes)	22,053.04
	Total non-hazardous waste per 100 million RMB of income (tonnes/100 million RMB)	43.73
	<b>ENERGY USE</b>	
	Total energy consumption (MWh)	2,119,859.19
	Energy consumption per 100 million RMB of income (MWh/100 million RMB)	4,203.23
	Direct energy consumption (MWh)	1,329,578.82
	—— Gasoline	2,445.42
	—— Diesel	5,297.16
	—— Liquefied petroleum gas	204.48
	—— Natural gas	1,321,631.75

Advanced Intelligent Manufacturing	Indicators	2023
	Indirect GHG emissions (Scope 2) (tonnes)	790,280.37
	—— Purchased electricity	742,340.65
	—— Purchased steam	47,939.72
	<b>USE OF RESOURCES</b>	
	Total water consumption (m <sup>3</sup> )	2,720,456.68
	Water consumption per 100 million RMB of income (m <sup>3</sup> /100 million RMB)	5,394.09
	Total paper consumption (tonnes)	45.68
	<b>PACKAGING MATERIAL</b>	
	Total packaging material used for finished goods (tonnes)	18,462.46
	Amount of packaging material used per 100 million RMB of income (tonnes/100 million RMB)	36.61

Advanced Materials	Indicators	2023
	<b>WASTE GAS</b>	
	Nitrogen oxide (NO <sub>x</sub> ) emissions (tonnes)	8,322.57
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	3,588.63
	Particulate matter emissions (tonnes)	6,340.12
	<b>WASTEWATER</b>	
	Chemical oxygen demand (COD) emissions (tonnes)	628.52
	Ammonia nitrogen emissions (tonnes)	44.19
	Total phosphorus emissions (tonnes)	3.11
	Wastewater discharge (m <sup>3</sup> )	11,326,393.85
	<b>GREENHOUSE GASES</b>	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	50,923,049.50
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	19,035.73
	Direct greenhouse gas emissions (Scope 1) (tonnes)	48,606,355.24
	—— Gasoline	2,157.07
	—— Diesel	19,003.72
	—— Liquefied petroleum gas	53,212.06
	—— Natural gas	796,492.98
	—— Coke	3,521,498.96
	—— Coal	42,072,928.10
	—— Intermediate process emissions	2,141,062.36

Advanced Materials	Indicators	2023
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	4,089,486.12
	—— Purchased electricity	3,937,787.40
	—— Purchased steam	151,698.72
	Implicit emissions of carbon sequestration product (deductible) (tonnes)	(1,772,791.86)
	<b>WASTE</b>	
	Hazardous waste total (tonnes)	43,758.30
	Hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	16.36
	Non-hazardous waste total (tonnes)	2,696,557.64
	Non-hazardous waste per RMB100 million of revenue (tonnes/RMB100 million)	1,008.01
	<b>ENERGY CONSUMPTION</b>	
	Total energy consumption (MWh)	161,144,024.62
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	60,237.82
	Direct energy consumption (MWh)	148,055,654.47
	—— Gasoline	8,808.78
	—— Diesel	72,314.35
	—— Liquefied petroleum gas	239,889.92
	—— Natural gas	4,073,327.74
	—— Coke	9,724,083.26
	—— Coal	133,937,230.41
	Indirect energy consumption (MWh)	13,088,370.15
	—— Purchased electricity	6,904,751.55
	—— Renewable energy electricity	5,800,541.02
	—— Purchased steam	383,077.58
	<b>RESOURCE CONSUMPTION</b>	
	Total water consumption (m³)	60,158,521.88
	Water consumption per RMB100 million of revenue (m³/RMB100 million)	22,488.07
	Total paper consumption (tonnes)	169.64
	<b>PACKAGING MATERIALS</b>	
	Total packaging materials used for finished products (tonnes)	11,763.80
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	4.40



New Consumption	Indicators	2023
	<b>EMISSIONS</b>	
	Nitrogen oxide (NOx) emissions (tonnes)	2.75
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	0.03
	<b>GREENHOUSE GASES</b>	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	96,499.10
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB)	187.66
	Direct greenhouse gas emissions (Scope 1) (tonnes)	4,812.47
	—— Gasoline	1,954.39
	—— Diesel	2,834.00
	—— Coal gas	1.97
	—— Natural gas	22.10
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	91,686.63
	—— Purchased electricity	91,686.63
	<b>WASTE</b>	
	Hazardous waste generation (tonnes)	580.76
	Hazardous waste generation per RMB100 million of revenue (tonnes/RMB)	1.13
	Non-hazardous waste generation (tonnes)	1,147.46
	Non-hazardous waste generation per RMB100 million of revenue (tonnes/RMB)	2.23
	<b>ENERGY CONSUMPTION</b>	
	Total energy consumption (MWh)	172,014.25
	Energy consumption per RMB100 million of revenue (MWh/RMB)	334.51
	Direct energy consumption (MWh)	18,893.02
	—— Gasoline	7,981.14
	—— Diesel	10,784.16
	—— Coal gas	14.69
	—— Natural gas	113.03
	Indirect energy consumption (MWh)	153,121.23
	—— Purchased electricity	153,121.23

New Consumption	Indicators	2023
<b>RESOURCE CONSUMPTION</b>		
	Total water consumption (m <sup>3</sup> )	1,781,716.50
	Water consumption per RMB100 million of revenue (m <sup>3</sup> /RMB)	3,464.87
	Total paper consumption (tonnes)	6,887.32
<b>PACKAGING MATERIALS</b>		
	Total packaging materials used for finished products (tonnes)	4,909.27
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	9.55
New-type Urbanisation	Indicators	2023
<b>WASTE GAS</b>		
	Nitrogen oxide (NO <sub>x</sub> ) emissions (tonnes)	39.56
	Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	26.55
	Particulate matter emissions (tonnes)	26.75
<b>WASTE WATER</b>		
	Chemical oxygen demand (COD) emissions (tonnes)	0.06
	Ammonia nitrogen emissions (tonnes)	0.004
	Wastewater discharge (m <sup>3</sup> )	517,388,957.96
<b>GREENHOUSE GAS</b>		
	Total greenhouse gas emissions (Scope 1 and Scope 2) (tonnes)	412,248.71
	Greenhouse gas emissions per RMB100 million of revenue (tonnes/RMB100 million)	950.60
	Direct greenhouse gas emissions (Scope 1) (tonnes)	28,166.97
	—— Gasoline	1,648.66
	—— Diesel	1,239.20
	—— Coal gas	12.04
	—— Liquefied petroleum gas	48.13
	—— Natural gas	25,218.93
	Indirect greenhouse gas emissions (Scope 2) (tonnes)	384,081.74
	—— Purchased electricity	384,081.74

New-type Urbanisation	Indicators	2023
	<b>WASTE</b>	
	Hazardous waste total (tonnes)	24,418.47
	Hazardous Waste per RMB100 million of revenue (tonnes/RMB100 million)	56.31
	Non-Hazardous Waste Total (tonnes)	7,346.90
	Non-Hazardous Waste per RMB100 million of revenue (tonnes/RMB100 million)	16.94
	<b>ENERGY CONSUMPTION</b>	
	Total energy consumption (MWh)	817,153.54
	Energy consumption per RMB100 million of revenue (MWh/RMB100 million)	1,884.28
	Direct energy consumption (MWh)	140,726.34
	—— Gasoline	6,732.63
	—— Diesel	4,715.51
	—— Coal gas	89.65
	—— Liquefied petroleum gas	216.97
	—— Natural gas	128,971.57
	Indirect energy consumption (MWh)	676,427.20
	—— Purchased Electricity	673,325.85
	—— Renewable energy electricity	3,101.35
	<b>RESOURCE CONSUMPTION</b>	
	Total water consumption (m <sup>3</sup> )	11,317,489.41
	Water consumption per RMB100 million of revenue (m <sup>3</sup> /RMB100 million)	26,097.01
	Total paper consumption (tonnes)	98.47
	<b>PACKAGING MATERIALS</b>	
	Total packaging materials used in manufacturing (tonnes)	312.40
	Packaging materials used per RMB100 million of revenue (tonnes/RMB100 million)	0.72

## Social Performance

### Employment Statistics

Indicators	As of 31 December 2023
Total number of employees (person) <sup>3</sup>	188,862
Male employees (person)	121,425
Female employees (person)	67,437
Number of employees aged 30 or below (person)	47,015
Number of employees aged 31-35 (person)	42,814
Number of employees aged 36-40 (person)	38,006
Number of employees aged 41-45 (person)	22,781
Number of employees aged 46-50 (person)	16,195
Number of employees aged 51-55 (person)	15,391
Number of employees aged 56 or above (person)	6,660
Number of employees in the Chinese Mainland (person)	167,773
Number of employees in Hong Kong, Macau and Taiwan (person)	10,071
Number of employees in other countries and regions (person)	11,018
Number of employees with a PhD degree (person)	989
Number of employees with a master's degree (person)	37,736
Number of employees with a bachelor's degree (person)	84,081
Number of employees with an associate degree or below (person)	66,056

<sup>3</sup> This includes official contracts employees at the headquarters and subsidiaries, excluding labour dispatch employees.

## Employee Turnover Statistics

	Indicators	As of 31 December 2023
Headquarters	Employee turnover rate (%)	0.60
	Female employee turnover rate (%)	0.64
	Male employee turnover rate (%)	0.59
	Employee turnover rate of those aged 30 and below (%)	0.00
	Employee turnover rate of those aged 31-40 (%)	0.93
	Employee turnover rate of those aged 41-50 (%)	0.90
	Employee turnover rate of those aged 51-59 (%)	0.00
	Employee turnover rate of those aged 60 and above (%)	0.00
	Employee turnover rate in the Chinese Mainland	0.41
CITIC Bank	Employee turnover rate (%)	2.58
	Female employee turnover rate (%)	2.40
	Male employee turnover rate (%)	2.81
	Employee turnover rate of those aged 30 and below (%)	4.47
	Employee turnover rate of those aged 31-40 (%)	2.46
	Employee turnover rate of those aged 41-50 (%)	1.02
	Employee turnover rate of those aged 51-59 (%)	0.29
	Employee turnover rate of those aged 60 and above (%)	0.00
	Employee turnover rate in the eastern region (%)	2.63
	Employee turnover rate in the central region (%)	2.06
	Employee turnover rate in the western region (%)	3.29
	Employee turnover rate in the northeastern region	1.51
CSC Financial	Employee turnover rate (%)	11.73
	Female employee turnover rate (%)	13.18
	Male employee turnover rate (%)	10.65
	Employee turnover rate of those aged 30 and below (%)	19.86
	Employee turnover rate in the Chinese Mainland (%)	11.64

	Indicators	As of 31 December 2023
CITIC Resources	Employee turnover rate (%)	21.91
	Female employee turnover rate (%)	16.44
	Male employee turnover rate (%)	27.04
	Employee turnover rate of those aged 30 and below (%)	33.33
	Employee turnover rate of those aged 31-40 (%)	7.69
	Employee turnover rate of those aged 41-50 (%)	29.09
	Employee turnover rate of those aged 51-59 (%)	27.49
	Employee turnover rate of those aged 60 and above (%)	0.00
	Employee turnover rate in the Chinese Mainland (%)	14.86
	Employee turnover rate in Hong Kong, Macao, and Taiwan regions (%)	36.00
CITIC Telecom International	Employee turnover rate (%)	12.12
	Female employee turnover rate (%)	11.05
	Male employee turnover rate (%)	12.89
	Employee turnover rate of those aged 30 and below (%)	22.18
	Employee turnover rate of those aged 31-40 (%)	9.10
	Employee turnover rate of those aged 41-50 (%)	6.73
	Employee turnover rate of those aged 51-59 (%)	7.30
	Employee turnover rate of those aged 60 and above (%)	58.33
	Employee turnover rate in the Chinese Mainland (%)	9.39
	Employee turnover rate in Hong Kong, Macau, and Taiwan regions (%)	12.91
	Employee turnover rate in other countries and regions (%)	14.91



## Employee Training Statistics

	Indicators	As of 31 December 2023
Headquarters	Number of employee training programs	84.00
	Percentage of male employees participating in training (%)	92.00
	Percentage of female employees participating in training (%)	87.00
	Percentage of managerial employees participating in training (%)	100.00
	Percentage of non-managerial employees participating in training (%)	89.70
	Per capita training hours received by male employees (hours/person)	80.00
	Per capita training hours received by female employees (hours/person)	70.30
	Per capita training hours received by managerial employees (hours/person)	99.00
	Per capita training hours received by non-managerial employees (hours/person)	75.00
CITIC Bank	Percentage of male employees participating in training (%)	100.00
	Percentage of female employees participating in training (%)	100.00
	Percentage of managerial employees participating in training (%)	100.00
	Percentage of non-managerial employees participating in training (%)	100.00
	Per capita training hours received by male employees (hours/person)	72.00
	Per capita training hours received by female employees (hours/person)	80.00
CSC Financial	Percentage of male employees participating in training (%)	95.09
	Percentage of female employees participating in training (%)	92.60
	Percentage of managerial employees participating in training (%)	100.00
	Percentage of non-managerial employees participating in training (%)	94.00
	Per capita training hours received by male employees (hours/person)	50.18
	Per capita training hours received by female employees (hours/person)	46.62
	Per capita training hours received by managerial employees (hours/person)	331.89
	Per capita training hours received by non-managerial employees (hours/person)	48.50

	Indicators	As of 31 December 2023
CITIC Resources	Percentage of male employees participating in training (%)	92.28
	Percentage of female employees participating in training (%)	70.83
	Percentage of managerial employees participating in training (%)	90.48
	Percentage of non-managerial employees participating in training (%)	88.64
	Per capita training hours received by male employees (hours/person)	60.91
	Per capita training hours received by female employees (hours/person)	21.28
	Per capita training hours received by managerial employees (hours/person)	67.33
	Per capita training hours received by non-managerial employees (hours/person)	33.73
CITIC Telecom International	Percentage of male employees participating in training (%)	90.97
	Percentage of female employees participating in training (%)	80.58
	Percentage of managerial employees participating in training (%)	92.80
	Percentage of non-managerial employees participating in training (%)	86.27
	Per capita training hours received by male employees (hours/person)	13.32
	Per capita training hours received by female employees (hours/person)	11.04
	Per capita training hours received by managerial employees (hours/person)	17.04
	Per capita training hours received by non-managerial employees (hours/person)	11.64

## Independent Assurance Report



### Independent Practitioner's Limited Assurance Report

To the board of directors of CITIC Limited:

***Report on selected information in CITIC Limited's 2023 Environmental, Social and Governance Report (ESG) Report (hereafter referred to as the "ESG Report") as of and for the year ended 31 December 2023. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.***

#### Conclusion

We have performed a limited assurance engagement on the following key performance information in CITIC Limited's ESG Report as of and for the year ended 31 December 2023 (hereafter referred to as "the assured performance information"):

Assured Performance Information	Point in time or period subject to assurance
Total number of employees (persons)	As of 31 December 2023
Proportion of female employees (%)	As of 31 December 2023
Labor contract signing rate (%)	As of 31 December 2023
Number of employee training programs (number)	For the year ended 31 December 2023
Electricity consumption per capita at headquarters (MWh/person)	For the year ended 31 December 2023
Water consumption per capita at headquarters (m <sup>3</sup> /person)	For the year ended 31 December 2023
Gasoline consumption per capita at headquarters (Liters/person)	For the year ended 31 December 2023
Balance of green loans (RMB hundred million)	As of 31 December 2023
Customer complaints settlement rate within the specified period (%)	For the year ended 31 December 2023



Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that CITIC Limited's assured performance information as of and for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the basis of preparation for the key performance Information (the "Basis of Preparation") set out in the appendix to this report.

Our conclusion on the assured performance information does not extend to any other information that accompanies or contains the assured performance information and our assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

#### **Basis for conclusion**

We conducted our engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

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 (IESBA), 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 Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Restriction on use**

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.



### **Responsibilities for the assured performance information**

The directors of CITIC Limited are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured performance information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured performance information, and appropriately referring to or describing the criteria used; and
- preparing the assured performance information in accordance with the Basis of Preparation.

### **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.

### **Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured performance information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the board of directors of CITIC Limited.

### **Summary of the work we performed as the basis for our conclusion**

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured performance information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured performance information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In addition, we do not conduct our work to express an opinion on the effectiveness of CITIC Limited's internal controls. Within our work scope, the assurance procedures were implemented at the head office of CITIC Limited, the head office of China CITIC Bank Corporation Limited and the head office of CITIC Securities Company Limited. In carrying out our engagement, we:

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



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.



KPMG Huazhen LLP

Beijing, China

22 April 2024



## Appendix: Basis of Preparation for the Key Performance Information

**Total number of employees (persons):** The term Total number of employees disclosed in the ESG Report refers to the total number of all formal full-time employees at CITIC Limited's headquarters and subsidiaries as of 31 December 2023, excluding dispatched employees.

**Proportion of female employees (%):** The term Proportion of female employees disclosed in the ESG Report refers to the percentage of all formal female employees in-service over the total number of employees of CITIC Limited's headquarters and subsidiaries as of 31 December 2023.

**Labor contract signing rate (%):** The term Labor contract signing rate disclosed in the ESG Report refers to the percentage of formal employees in-service who have signed labor contracts with CITIC Limited's headquarters and subsidiaries as of 31 December 2023.

**Number of employee training programs (number):** The term Number of employee training programs disclosed in the ESG Report refers to the total number of training programs, including online and face-to-face training, carried out by CITIC Limited's headquarters for the year ended 31 December 2023.

**Electricity consumption per capita at headquarters (MWh/person):** The term Electricity consumption per capita at headquarters disclosed in the ESG Report refers to the average electricity consumption per formal employee in-service at CITIC's headquarters for the year ended 31 December 2023, which is the total electricity consumption of CITIC Limited's headquarters for the year ended 31 December 2023 over the total number of formal employees in-service of CITIC Limited's headquarters as of 31 December 2023.

**Water consumption per capita at headquarters (m<sup>3</sup>/person):** The term Water consumption per capita at headquarters disclosed in the ESG Report refers to the average water consumption per formal employee in-service at CITIC Limited's headquarters for the year ended 31 December 2023, which is the total water consumption of CITIC Limited's headquarters for the year ended 31 December 2023 over the total number of formal employees in-service of CITIC Limited's headquarters as of 31 December 2023.

**Gasoline consumption per capita at headquarters (Liters/Person):** The term Gasoline consumption per capita at headquarters disclosed in the ESG Report refers to the average gasoline consumption per formal employee in-service at CITIC Limited's headquarters for the year ended 31 December 2023, which is the total gasoline consumption of CITIC Limited's headquarters for the year ended 31 December 2023 over the total number of formal employees in-service of CITIC Limited's headquarters as of 31 December 2023.

**Balance of green loans (RMB hundred million):** The term Balance of green loans (RMB hundred million) disclosed in the ESG Report refers to the aggregate amount of the loans balance of CITIC Bank Co., Ltd. as of 31 December 2023, for the investment made in energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, green services, offshore projects that adopt international practices or international standards, green trade financing, and green consumer financing fields.

**Customer complaints settlement rate within the specified period (%):** The term Customer complaints settlement rate within the specified period (%) disclosed in the ESG report refers to the proportion of the number of customer complaints handled by China CITIC Bank Co., Ltd. within the specified period to the total number of customer complaints received for the year ended 31 December 2023.

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## Reader's Feedback

Dear Readers,

We appreciate your reading the Corporate Social Responsibility Report of Bank of CITIC Limited for 2023. We look forward to your comments and suggestions on the report and on ourselves. You can send the completed questionnaire back to us by mail to put forward your valuable suggestions. Thank you!

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 Beijing Office CITIC Tower, No. 10 Guanghualu Chaoyang District Beijing 100020, China	 Hong Kong Office 32nd Floor, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
 E-Mail : contact@citic.com	 Telephone: +852 2820 2111

1. What kind of stakeholders does your work unit belong to CITIC LIMITED:

Shareholder ☐ Investor ☐ Employee ☐ Supplier ☐ Customer ☐ Government ☐  
Community ☐ Academic institution ☐ Non profit organization ☐ Others (please specify) ☐

2. Is the information you are concerned about reflected in this year's ESG report?

Yes ☐ Partially ☐ No ☐

3. Your comprehensive evaluation of this year's annual ESG report:

- Readability (the expression is easy to understand, the design is beautiful, attractive, and it is easy to find the required information)

3 points (good) ☐ 2 points (average) ☐ 1 point (poor) ☐

- Credibility (report information is authentic)

3 points (good) ☐ 2 points (average) ☐ 1 point (poor) ☐

- Information integrity (both positive and negative information, and meets your information needs)

3 points (good) ☐ 2 points (average) ☐ 1 point (poor) ☐

4. Can you easily find the information you are concerned about in the report?

Yes ☐ Moderately ☐ No ☐

5. In addition to what has been disclosed in the report, what information would you like to see?

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