

16. Social Responsibility Report

16.1 Board Statement

In 2024, CITIC FAMC focused on its role as a financial asset management company, fully implemented the spirit of the 20th National Congress of the Communist Party of China (hereinafter referred to as “the Party”), the second and third plenary sessions of the 20th Central Committee of the Party, and the Central Financial Work Conference, steadfastly promoted the “One-Three-Five” development strategy, actively practiced the ESG concept, advanced the Company’s healthy and sustainable development, and contributed to overall economic and social progress. It strictly complied with the ESG Code of the Hong Kong Stock Exchange, implemented ESG policy requirements, continuously improved ESG work performance, and actively undertook and practiced its corporate social responsibility.

The Company clearly defined that the Board of Directors was responsible for ESG strategy and reporting, while the Management was responsible for the overall implementation and execution of specific ESG initiatives. A social responsibility fulfillment and management mechanism was established at the headquarters level, coordinated by multiple functional departments, with a designated contact person system implemented across departments, branch offices, and subsidiaries.

As the highest decision-making body, the Board of Directors complied with the requirements of the ESG Code of the Hong Kong Stock Exchange, formulated ESG management policies, strategies, and objectives, assessed the Company’s ESG risks, and reviewed ESG-related issues. Leveraging the internal control management mechanism, the Board of Directors identified key ESG risk control elements, regularly reviewed ESG matters that could impact the Company’s business operations, shareholders, and other stakeholders, evaluated and supervised the Company’s ESG performance, and incorporated key issues into account by identifying stakeholder and material issue assessments. In accordance with corporate governance procedures, the Board of Directors reviewed the Company’s ESG report, which covered the annual ESG management and practice progress, ensuring its full participation in ESG governance and related information disclosure.

In 2024, the Board of Directors reviewed and supervised policies and measures related to ESG issues, including legal compliance, serving national development strategies, climate change response, and social welfare. This report provides a comprehensive disclosure of the Company’s progress and achievements on these and other ESG issues in 2024 and was approved by the Board of Directors on March 28, 2025.

16.2 Strategy and Governance

Our Company strictly adheres to the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, as well as the Listing Rules and other legal regulations, and the Company’s articles of association. We are unwavering in strengthening the leadership of the Party, continuously optimizing the corporate governance structure, constantly improving the risk management system, deeply promoting the construction of a clean and honest Party style, actively practicing corporate social responsibility, ensuring the Company operates in compliance with the law, and promoting the Company’s sustainable and stable development.

16. Social Responsibility Report

16.2.1 Strategy and Corporate Culture

16.2.1.1 Values and Philosophy

Company Mission: practicing national strategies, serving the real economy, and mitigating financial risks

Company Vision: focusing on the main business of distressed assets and building a first-class financial asset management company

Company Corporate Culture Philosophy: loyalty, responsibility, pragmatism and dedication

16.2.1.2 Corporate Culture Development

Our Company is committed to creating a positive and cohesive corporate culture. Through standardized promotion and a series of activities, we aim to deeply integrate corporate culture development with sustainable growth.

- ***Standardize promotion work***

We strictly implement the requirements of CITIC Group regarding the promotion of the corporate culture system, further standardizing the forms and content of corporate culture promotion according to the standards of “commonality and uniqueness” to ensure the systematic and coherent development of corporate culture. We comprehensively standardize the promotional carriers of corporate culture in each unit, conduct special inspections of videos and images, and ensure the unity, accuracy, and standardization of promotional content.

- ***Carry out a series of activities***

On the occasion of the celebration of the 75th anniversary of the founding of the People’s Republic of China and the 45th anniversary of CITIC Group, the Company has carefully planned and implemented a series of themed activities for corporate culture fostering. The Company solemnly held the “Flag-Raising and National Anthem Singing Ceremony to Celebrate the 75th Anniversary of the Founding of the People’s Republic of China” and organized themed calligraphy, painting, and photography exhibitions. Through a variety of cultural activities, the Company showcased its deep affection for the country and CITIC Group. Additionally, the Company organized themed Party Day events, as well as distinctive educational and promotional activities led by trade unions and communist youth leagues across branches, subsidiaries and headquarters departments. These initiatives further strengthened employees’ cultural identity and sense of belonging and promoted a deep-rooted corporate culture.

16. Social Responsibility Report

16.2.2 Party Building Leadership

16.2.2.1 Strengthen Party Leadership and Political Guidance

The Company adheres to General Secretary Xi Jinping's important thoughts on Party building and self-revolution as fundamental guidelines, continuously strengthening Party leadership, advancing comprehensive and strict governance of the Party, and promoting the deep integration of Party leadership with corporate governance and management, insisting on managing the Party with strict standards and leading the Company's healthy and sustainable development with high-quality Party building.

- The Company incorporated Party leadership into its Articles of Association and clarified as well as implemented the legal status of Party organizations within its corporate governance structure.
- The Company comprehensively sorted out the responsibilities and boundaries of the Shareholders' General Meeting, Board of Directors, Board of Supervisors, and the Senior Management and formulated as well as issued the *Implementation Opinions on Promoting the Deep Integration of Party Building and Business Management*, the *CITIC FAMC Party Committee Discussion Rules*, and the *Corporate Decision-Making Approval and Process Optimization Plan* to enhance the standardization of decision-making processes.
- The Company implemented the leadership mechanism of "bi-directional promotion and cross-appointment", under which members of the Party Committee held positions in the Board of Directors and the Management, ensuring that the intentions of the Party organization were reflected in major corporate decision-making.
- The Company strictly implemented the pre-review procedures of the Party Committee and earnestly enforced the system whereby Party Committee meetings served as a pre-review process for major decisions of the Board of Directors and the Management.
- The Company clarified the role of the Party Committee in decision-making of the authorization by the Board of Directors, ensuring that the Party Committee rigorously reviewed decision-making plans authorized by the Board of Directors to maintain standardization in authorization.
- The Company revised and implemented the "three lists" outlining the main responsibility for comprehensively and strictly governing the Party and formulated the *Implementation Measures for the Decision-Making System of "Three Majors and One Large" of CITIC FAMC*, emphasizing the role of Party committees at all levels in "guiding direction, managing the overall situation, and ensuring implementation".

16. Social Responsibility Report

16.2.2.2 Deepen Thematic Education and Solidify Ideals and Beliefs

The Company made learning and implementing the spirit of the 20th National Congress of the Communist Party and the second and third plenary sessions of the 20th Central Committee a major task in arming itself with the Party's innovative theory. It immediately convened a special meeting of the Party Committee to study and convey the spirit of the plenary sessions and to research and deploy implementation work. The Party Committee issued a special plan for studying, publicizing, and implementing the plenary sessions' spirit, identifying 21 key work tasks, strengthening organizational leadership, clarifying responsibility deadlines, and ensuring the execution of various reform measures to fully achieve key reform objectives by 2024. The Company's Party Committee Center conducted focused study and discussions on learning and implementing the plenary sessions' spirit, organized 3 training sessions for assistant general managers and above, held special topic tutoring seminar, and facilitated nearly a hundred special study discussions across 41 branches and subsidiaries.

The Company implemented the requirements for normalizing and regularizing Party history learning and education. It held a study and discussion meeting of the Party Committee Theory Learning Center Group, focusing on "learning the Party's history well, utilizing it effectively, drawing wisdom and strength from it, and transforming learning outcomes into a strong motivation for advancing work and entrepreneurship". It also arranged visits to venues such as the Museum of the Communist Party of China.

The Company developed and issued a plan for studying and implementing the *Excerpts from Xi Jinping's Discussions on Financial Work*. It launched a Discussion on the Political and People-Oriented Nature of Financial Work activity, guiding all Party members to break away from ideas such as "exceptionalism", "elitism", and "specialism". An activity column was set up on the Company's intranet, publishing over 20 key statements from General Secretary Xi Jinping and higher-level directives, as well as 140 learning experiences and 41 distinctive cases from across the system. The Company also studied and implemented General Secretary Xi Jinping's important speech at the opening ceremony of the special seminar for major leaders at the provincial and ministerial levels on promoting high-quality financial development, and organized collective study and discussions.

16.2.2.3 Strengthen the Combat Fortress and Gather the Power to Advance

The Company adhered to the principles of "integrating into the center, serving the overall situation, and playing a role", and implemented the "Five Actions" for standardized grassroots Party building. The Company created 341 Party member task forces and 608 Party member pioneer positions, leading the charge in two major meetings within the year, with practical methods widely reported by mainstream media such as Learning Power. The Company's Party Committee conducts special research on overseas Party building work, and the International Company has been awarded the title of "Center Work Sharp Knife Team" by the Liaison Office of the Central People's Government in the Hong Kong S.A.R.

16. Social Responsibility Report

16.2.3 Strategic Planning

The Company's "14th Five-Year Plan" development plan closely aligns with national development strategies and ESG requirements, with clear and defined strategic goals, measures, and implementation paths. In terms of guiding ideology, it is proposed to fully implement the new development concept, actively integrate into and serve the new development pattern, deeply implement the three major tasks of mitigating financial risks, serving the real economy, and deepening financial reform, and implement the national "14th Five-Year Plan" and the 2035 long-term goals outline. In terms of development mission, it is proposed to "practice national strategies, serve the real economy and mitigate financial risks". In terms of business planning, it is proposed to focus on the national "14th Five-Year Plan" and CITIC Group's "Five-Five-Three" development strategy, concentrating on emerging industries and green industries such as new energy, new infrastructure, advanced materials, advanced manufacturing, healthcare, consumer logistics, and the digital economy, while also increasing support for the strategic restructuring and industrial transformation and upgrading of traditional industries such as coal, steel, building materials, and non-ferrous metals.

16.2.4 Shareholders' General Meeting, Board of Directors, Board of Supervisors, and the Senior Management

The Company continuously optimizes its modern corporate legal governance structure, enhances internal management level, safeguards the rights and interests of all shareholders, and promotes the Company's healthy and sustainable development. It has established a governance framework in which the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the Senior Management each perform their respective duties with clearly defined responsibilities and mutual checks and balances. For detailed information about the Shareholders' General Meeting, Board of Directors, Board of Supervisors, and the Management, please refer to the "11. Corporate Governance Report", "13. Report of the Board of Directors", and "14. Report of the Board of Supervisors".

The Company values diversity of the Board of Directors and has formulated the *Diversity Policy of the Board of Directors of CITIC FAMC* to continuously enhance the Company's governance. When selecting candidates, the Nomination and Remuneration Committee considers diversity perspectives, taking into account complementary factors including but not limited to the complementarity of gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure, to ensure that members of the Board of Directors possess the appropriate expertise, experience, and diverse perspectives and viewpoints. As of the end of 2024, independent non-executive directors accounted for more than one-third of the members of Board of Directors, with at least one independent non-executive director holding professional qualifications that meet regulatory requirements and at least one member of Board of Directors being female. To further enhance directors' professional knowledge and continuously improve their ability to perform their duties, the Company actively organizes various training programs. These cover issues such as the interpretation of the newly revised the *Company Law of the People's Republic of China*, the anti-money laundering off-site supervision system, sanctions risk prevention and response, and the latest developments in antitrust legislation and enforcement.

16. Social Responsibility Report

16.2.5 Internal Control Management

The Group continuously improves the internal control management system around the goals of effective operation, reliable reporting, and compliance management, strengthening internal control measures. We continuously strengthen three lines of defense in internal control composed of the Board of Directors, Board of Supervisors, Senior Management, headquarters departments, branches, subsidiaries, and the operational management, internal control management, and internal audit departments, with each performing their duties, complementing and reinforcing each other to jointly serve business development and risk prevention.

In 2024, in terms of internal control management system construction, the Company revised the *Internal Control Process Framework of CITIC FAMC*, the *Internal Control Evaluation Guidelines of CITIC FAMC*, and the *Internal Control Manual of CITIC FAMC* based on self-assessment. The revisions optimized content related to development strategy, human resources, social responsibility, corporate culture, control activities, and information and communication, further enhancing risk identification and control measures to ensure the executability and operability of each process.

In terms of internal audit supervision, the Company revised three systems, including the *Internal Audit Management Regulations of CITIC FAMC* and introduced two new guidelines, including the *Comprehensive Management Guidelines for Internal Audit Business of CITIC FAMC*. These measures enabled vertical management of the audit process and horizontal management of audit quality. The Company issued opinions on improving internal audit work and line work guidance, developed dozens of standardized audit reports and work templates, conducted quality checks on internal audits of subsidiaries, and advanced the standardization of internal audit practices. In 2024, a total of 15 special audits were conducted.

In terms of compliance management, the Company issued the *2024 Legal Compliance Work Guidance Opinions* to strengthen compliance operations and rigorously control legal and compliance risks. It comprehensively optimized the source rectification mechanism for regulatory opinions, classified and rectified specific compliance issues raised by branches and subsidiaries, and regularly conducted “retrospective reviews” in conjunction with new regulatory opinions to accurately identify and address internal management loopholes. This approach established a closed-loop rectification process of “identifying problems – rectifying problems – addressing root causes – tracking evaluations”. The Company further strengthened the compliance risk event review mechanism by organizing relevant business units to carry out reflection and analysis and warning education on regulatory penalties and other compliance matters. It published four issues of the *Compliance Risk Alerts* in response to local regulatory penalties and opinions, fully leveraging the roles of risk alerts, educational guidance, and deterrent warnings. Additionally, on-site inspections were conducted for legal reviews, contract management, and regulatory opinion rectifications across more than ten business units. To enhance supervision and management in key areas of overseas operations, the Company organized overseas integrity and compliance risk assessments. It also launched special legal compliance initiatives, including “Eight-Five Law Popularization”, “Building a Law-Based Central Enterprise”, and “Promoting Action through Learning”, actively promoting a culture of responsibility and compliance while enhancing compliance awareness among all employees. Other details regarding the Group’s internal control are provided in “12. Internal Control”.

16. Social Responsibility Report

16.2.6 Comprehensive Risk Management

The Group established a standardized risk governance system, defining the risk management responsibilities of the Board of Directors, the Board of Supervisors, Senior Management, various functional departments, and business units. The Board of Directors served as the highest decision-making body for the Company's risk management, the Board of Supervisors was accountable for comprehensive risk management, and the Senior Management was responsible for implementing the risk strategies and risk preferences set by the Board of Directors, conducting comprehensive risk management. The Group continuously improved the "three lines of defense" in risk management, comprising business departments, risk management functional departments, and audit departments, while strengthening the risk management department's leading role in comprehensive risk management. A risk director system was established, with headquarters implementing vertical management of risk directors in branches and subsidiaries to ensure primary accountability for local risk management.

In 2024, the Group revised the *CITIC FAMC Comprehensive Risk Management Measures*, the *CITIC FAMC Client Concentration Risk Management Rules*, the *Guidelines for the Management of User Permissions in the Application of the CITIC FAMC Risk Management Information System*, and other regulatory documents, and issued the *2024 Risk Management Work Guidance* to comprehensively enhance the Company's risk control capabilities. The Company further deepened the construction of its comprehensive risk management system by optimizing control mechanisms in areas such as organization, systems, processes, technology, culture, and support, with quarterly monitoring, supervision, and evaluation of each item. It also strengthened the extension of comprehensive risk management to branches and subsidiaries, where branches and subsidiaries successively carried out three rounds of system construction implementation path formulation. A total of 41 branches and subsidiaries formulated 2,392 measures and effectively implemented them to enhance risk prevention and control capabilities. Other details regarding the Group's risk management are listed in "8.4 Risk Management".

16.2.7 Supply Chain Management

The Group strictly complied with the *Law of the People's Republic of China on Bid Invitation and Bidding*, the *Interim Regulations on Centralized Procurement Management of State-owned Financial Enterprises*, and other relevant laws and regulations. It continuously optimized the Company's centralized procurement management system and formulated a series of internal regulations, including the *CITIC FAMC Centralized Procurement Management Measures*, the *Work Rules for the Centralized Procurement Management Committee of CITIC FAMC*, and the *Centralized Procurement Project Archive Management Specifications of CITIC FAMC*. These measures aimed to standardize procurement processes, improve the efficiency of procurement fund utilization, and comprehensively manage and supervise the procurement of bulk goods, services, and construction projects. The Group explicitly stipulated that procurement activities must adhere to the principles of "openness, fairness, justice, good faith, and efficiency".

16. Social Responsibility Report

The Group focused on and identified the management of environmental and social risks at various stages of the supply chain, and improved related implementation and monitoring methods. In the centralized procurement process, we strictly reviewed supplier admission. Procurement documents were required to include qualifications related to supplier credit, such as records of misconduct, historical dishonesty, violations, legal penalties, and credit records, and to verify whether the supplier had any major legal violations, negative social responsibility information, or poor production safety records in the past three years. In the contract signing process, we required suppliers to sign a confidentiality agreement, emphasized the protection of the Company's commercial secrets, and stipulated that suppliers must have good business ethics, including integrity in business, fair competition, and refraining from commercial bribery, thereby preventing any incidents of unfair competition, bribery, or corruption. In the post-service evaluation of suppliers, the Group actively managed and controlled misconduct through post-evaluation, improved supplier management levels, and ensured the quality and effectiveness of procurement.



Responsible Procurement Measures

- **Transparent procurement:** We firmly established the principle of “open procurement and transparent procurement” and comprehensively promoted “procurement to the fullest extent possible”. For procurement matters within the scope of centralized procurement, we conducted procurement through public announcements to improve transparency and create an open, fair, and just procurement environment. The system clearly stated that “except for matters involving state secrets, work secrets, or corporate commercial secrets that shall not be disclosed, all shall be conducted publicly”.
- **Green procurement:** Under the premise of ensuring controllable risks and availability, centralized procurement prioritized the purchase of energy-saving and environmentally friendly products, providing institutional support for building a green supply chain and fulfilling social responsibilities for environmental protection. In 2024, energy-saving indicators were set in the scoring rules for desktop and laptop computer procurement projects, granting weight to suppliers with the *China Energy Conservation Product Certificate*.
- **Equal treatment of small and medium-sized enterprises:** We developed a centralized procurement operation manual that clearly stated that unreasonable conditions shall not be used to implement differential or discriminatory treatment of suppliers in the qualification criteria. In accordance with the work requirements of the General Office of the State Council and CITIC Group, we organized a special investigation to resolve overdue payments to small and medium-sized enterprises, requiring our headquarters, branches and subsidiaries to verify overdue situations one by one, ensuring that undisputed debts were settled in full and that disputed debts were resolved as quickly as possible through negotiation or legal means.

16. Social Responsibility Report

In 2024, the number of suppliers with a single procurement amount exceeding RMB500,000 is 1,037, including 160 in North China, 10 in Northeast China, 109 in East China, 178 in Central China, 257 in South China, 196 in Southwest China, 125 in Northwest China, and 2 overseas.

16.2.8 Anti-Corruption and Integrity Construction

Our Group attaches great importance to anti-corruption and integrity work. Through improving the institutional system, strengthening publicity and education, and enhancing supervision and discipline, we promote the comprehensive and strict governance of the Party within the Company, creating a clean and upright political ecology and a good business development environment, which support the Company's high-quality development. The Discipline Inspection Office of the Company (the "Party Inspection Office") is responsible for the construction of the Party's work style and integrity, as well as organizing and coordinating anti-corruption efforts. It supervises and inspects the integrity of key areas, important positions, and key personnel to ensure the Company's clean operation.

We improve the institutional system. The Company has thoroughly implemented the requirements of strict Party governance, steadfastly advanced the development of corporate work ethics, and reinforced the supervisory framework for officials to ensure strict discipline and self-regulation. During the reporting period, the Company issued several regulations to further enhance its anti-corruption and integrity framework, including the *Rules for the Leading Group on Inspection Work of the Party Committee of CITIC FAMC*, the *Archival Management Standards for Inspection Teams of the Party Committee of CITIC FAMC*, the *Guidelines on the Disclosure of Internal Inspection Rectifications by the Party Committee of CITIC FAMC*, the *Interim Measures for the Management of the Inspection Talent Pool of the Party Committee of CITIC FAMC*, and the *Regulations on Managing Non-official Interactions between Employees of CITIC FAMC and Clients or Specific Related Parties*. Additionally, we revised several key anti-corruption and integrity-related documents, such as the *Measures for the Supervision and Administration of the Clean Work Practices of Employees of CITIC FAMC* and the *Work Plan for Building a Culture of Integrity in Finance at CITIC FAMC*.

We promote publicity and education. The Company continuously carried out the "Legal Compliance Culture Promotion Month" activity via a combination of internal information platforms and offline focused study to thoroughly learn and implement Xi Jinping's thoughts on the rule of law, adhered to high-level role modeling and guided all employees to cultivate a strong legal awareness. We organized directors to participate in special learning and training activities on Party style and integrity construction and anti-corruption, covering legal regulations such as the *Practical Guide to Anti-Corruption Systems for Listed Companies*, the *Summary of Anti-Corruption and Bribery Regulations*, the *Prevention of Bribery Ordinance (Cap. 201)*, and the *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)*, continuously enhancing the directors' awareness of integrity and their ability to resist corruption.

16. Social Responsibility Report

We strengthen supervision and discipline. The Company attached great importance to anti-fraud work, clearly stating in the *CITIC FAMC Internal Control Measures* that we shall establish and improve anti-fraud mechanisms and whistleblower protection mechanisms, identify key areas of anti-fraud work, and treat petition work as an important channel for obtaining information. In conjunction with the management of employee behavior and case risk assessment, we carried out daily monitoring and regular inspections, promptly addressing management loopholes and timely identifying and preventing fraud risks. The Company handled the acceptance, investigation, processing, and reporting of complaints and reports according to procedures.

We elevate Party conduct and integrity. In 2024, the Company launched a special action for “Strengthening Conduct Building” at the headquarters, producing and broadcasting a documentary promotional video titled *Documentary on Conduct Building at CITIC FAMC Headquarters*. We carried out the “I Commit, I Take Responsibility” activity, uniformly designing and producing over 400 position identification signs for Party members. The Company organized an evaluation of the conduct building at the headquarters and rectified improper conduct around the public, and the evaluation results showed that significant progress had been made in the conduct building at the headquarters, with satisfaction levels regarding the overall effectiveness of the conduct building increasing for three consecutive years.

We foster a culture of integrity. The Company vigorously promoted a corporate culture of “Loyalty, Responsibility, Pragmatism, and Dedication” and strengthened the construction of a clean financial culture. We carried out clean festival reminders for New Year’s Day, Spring Festival, May Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day. The Company opened a “Discipline and Integrity” column on the intranet, and actively organized branches and subsidiaries to submit articles to the “Qingfeng Messenger” public account of *CITIC Group and the CITIC Discipline Inspection and Supervision* magazine, continuously enhancing the leading role of clean culture.

In 2024, the Company did not have any corruption or litigation cases.

16.2.9 Anti-Money Laundering and Counter-Terrorist Financing

The Group strictly adheres to anti-money laundering and counter-terrorist financing laws and regulations, earnestly implements regulatory requirements, establishes and improves the organizational structure for anti-money laundering management, formulates the *Internal Control Measures for Anti-Money Laundering and Counter-Terrorist Financing of CITIC FAMC*, the *Detailed Rules for Money Laundering Risk Assessment and Customer Classification of CITIC FAMC*, and the *Management Standards for Self-assessment of Money Laundering and Terrorist Financing Risks of CITIC FAMC*, among other systems. A leading group for anti-money laundering work has been established to continuously strengthen the foundation of money laundering risk management and improve the quality and effectiveness of anti-money laundering management.

16. Social Responsibility Report

In 2024, the Company continued to optimize the anti-money laundering system, completing tasks such as managing individual customer information, managing customers in the anti-money laundering system, managing ongoing projects without a designated client, and optimizing system functions after the launch of the customer type list. We strengthened money laundering risk prevention and control, completed the rectification of issues identified in the 2023 anti-money laundering special audit, and conducted a self-inspection and rectification of anti-money laundering practices across the entire system in 2024. These efforts further enhanced our anti-money laundering management level. We actively conducted anti-money laundering training to improve the awareness and professional capabilities of all employees. A total of 8 anti-money laundering and international sanctions risk training sessions were held throughout the year, covering management leaders, directors, business lines, anti-money laundering management lines, audit lines, and technology lines, with a total of 6,010 participants.

In 2024, no units at any level of the Company were subject to anti-money laundering regulatory penalties, and no major money laundering risk events occurred.

16.2.10 Social Responsibility Management

16.2.10.1 Social Responsibility Concept

Our Company adheres to the responsibilities and mission of a financial asset management company, dedicated to serving the real economy, preventing and controlling financial risks, and deepening financial reforms. In promoting the high-quality development of the Company, we actively practice national strategies, and enthusiastically participate in rural revitalization, environmental protection, and social welfare initiatives, thereby continuously enhancing our ability to promote coordinated economic and social development, and creating value for the country, clients, shareholders, investors, employees, and society.

- For the country: We focus on our main responsibilities and services, serve the real economy, mitigate financial risks, and maintain the stability of the national economy and financial security.
- For clients: We provide high-quality financial services to help clients achieve value enhancement and corporate transformation.
- For shareholders and investors: We operate in a stable and compliant manner, continuously enhance corporate value, and achieve good returns for shareholders, investors, and the market.
- For employees: We build a professional platform, care for employee growth, enhance employee cohesion and sense of gain, and achieve the joint development of personal and corporate values.
- For society: We care for social development, enhance social welfare, actively respond to the national strategy of rural revitalization, and engage in targeted assistance, charitable donations, and other social welfare activities.

16. Social Responsibility Report

16.2.10.2 Stakeholder Engagement

Our Company places great importance on close connections with stakeholders and actively engages in stakeholder communication through diversified channels. A regular communication mechanism was established with stakeholders, with their demands serving as an important reference in daily operations and decision-making processes. Effective measures were promptly formulated and implemented to meet the reasonable expectations and demands of stakeholders. This report served as a centralized display of the Company's social responsibility efforts, conveying the Company's social responsibility philosophy to all stakeholders, showcasing practical achievements in social responsibility, and further enriching communication and interaction with stakeholders.

Overview of Stakeholders' Main Concerns and Communication Channels Chart

Type of Stakeholder	Main Concerns	Main Communication Methods	Main Response Measures
Regulatory institutions	<ul style="list-style-type: none"> • Sound corporate operations • Comprehensive internal control system and risk management and control system • Actively fulfilling the social responsibility of financial enterprises 	<ul style="list-style-type: none"> • Regular reporting • Participation in industry conferences • Official website • Official WeChat account 	<ul style="list-style-type: none"> • Establish a comprehensive internal control system to enhance corporate governance and mitigate financial risks • Improve operational efficiency of the enterprise
Local governments	<ul style="list-style-type: none"> • Promoting the development of local and surrounding industries • Compliant operations • Paying taxes in accordance with the law 	<ul style="list-style-type: none"> • Government meetings • Irregular visits • Supervision of government staff • Official website • Official WeChat account 	<ul style="list-style-type: none"> • Increase employment opportunities and contribute to tax revenue • Cooperate with government supervision and improve internal compliance monitoring system • Abide by laws and regulations

16. Social Responsibility Report

Type of Stakeholder	Main Concerns	Main Communication Methods	Main Response Measures
Shareholders and investors	<ul style="list-style-type: none"> Sustainable and stable investment returns Timely information disclosure Compliant corporate operations 	<ul style="list-style-type: none"> Shareholders' General Meeting Regular reports and corporate announcements Information release channels such as investor meetings, earnings releases, and roadshows Company investor relations phone and email Official website Official WeChat account 	<ul style="list-style-type: none"> Enhance business diversification and consolidate industry leadership Receive investor visits, calls, and letters to strengthen effective communication and information disclosure Improve the internal compliance system
Customers	<ul style="list-style-type: none"> High-quality products and services Timely response to customer requests Providing comprehensive solutions 	<ul style="list-style-type: none"> Customer follow-up Regular visits Official website Official WeChat account 	<ul style="list-style-type: none"> Establish a comprehensive service response system Improve the customer complaint handling process Develop service standardization guidelines
Communities	<ul style="list-style-type: none"> Supporting community development Respecting community culture and participating in community activities 	<ul style="list-style-type: none"> Community representative survey Daily visits Official website Official WeChat account 	<ul style="list-style-type: none"> Support the development of various community undertakings Carry out community public service activities Maintain good communication

16. Social Responsibility Report

Type of Stakeholder	Main Concerns	Main Communication Methods	Main Response Measures
Employees	<ul style="list-style-type: none"> Broad career development opportunities Great compensation and benefits Comprehensive health and safety protection 	<ul style="list-style-type: none"> Internal website Company newsletter Employee Representative Assembly Official website Official WeChat account 	<ul style="list-style-type: none"> Improve internal management systems and frameworks for employee recruitment, promotion, etc. Enrich employee life Provide diversified work and life support for employees
Suppliers	<ul style="list-style-type: none"> Fair, just, and transparent procurement process Timely fulfillment of contractual agreements Promoting corporate growth and achieving a win-win outcome 	<ul style="list-style-type: none"> Irregular quality communication meetings Official website Official WeChat account 	<ul style="list-style-type: none"> Ensure the transparency of the procurement process and accept internal and external supervision Properly manage corporate cash and ensure timely payments Promote communication and interaction with suppliers

16.2.10.3 Determination of Material Issues

Our Company has conducted extensive preliminary research and analysis based on the requirements of the ESG Code of the HKEX, leading rating agencies' ESG rating indicators, and regulatory policies, and has established a material issue database for the 2024 Social Responsibility Report. By conducting industry benchmarking studies and stakeholder surveys, we have constructed a list of material issues for this Social Responsibility Report. We have widely collected opinions from internal and external stakeholders, and comprehensively assessed the impact of each issue on external stakeholders and CITIC FAMC, identified 19 material issues closely related to the Company, which serve as important references for the formulation of the Company's ESG strategy, goal setting, and ongoing information disclosure. The determination of issues is carried out by an independent third-party consultant.

16. Social Responsibility Report

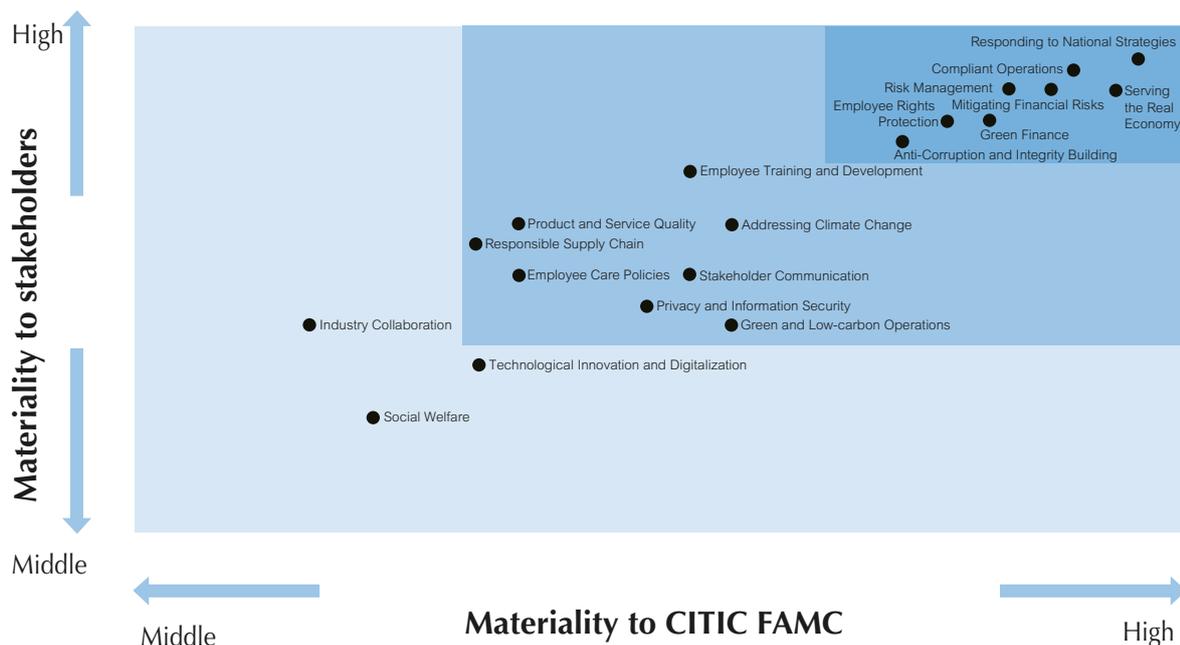
In 2024, the process for determining the material issues for our Company's social responsibility is as follows:

- 1 Identifying Relevant Issues: Through extensive benchmarking of HKEX ESG Code, ESG rating indicators, macro policies, and hot topic analysis, 19 social responsibility issues were evaluated and collected.
- 2 Surveying Attention Level: By distributing questionnaires to external and internal stakeholders, a total of 585 valid responses were collected.
- 3 Analyzing Impact: Through the questionnaires and combining key aspects of the Company's management operations, the impact of each issue on stakeholders was comprehensively assessed, and material issues were identified.
- 4 Prioritizing Material Issues: Based on the identification and analysis, the issues were ranked by importance, and a materiality matrix was developed, which served as a key reference for the preparation of the report.

16. Social Responsibility Report

In 2024, the results of the Company’s social responsibility material issues determination are as follows:

2024 Social Responsibility Material Issues Matrix



16.3 Economic Responsibility

Our Group focuses on the main responsibilities of financial asset management companies, fully leverages the unique advantages of rescue financial services, and wholeheartedly supports national strategies. We concentrate on ensuring people’s livelihoods, the real economy, mitigating financial risks, and deepening reform and transformation, thereby contributing to the construction of a strong financial nation with CITIC’s strength.

16.3.1 Serving National Strategies

Our Group keeps in mind the responsibilities and missions assigned to financial asset management companies by the state. We delve deeply into the field of non-performing assets, vigorously support state-owned enterprises in deepening reforms, promote high-level opening up, actively respond to the national “Belt and Road Initiative”, and proactively integrate into the coordinated development of the Beijing-Tianjin-Hebei region, the construction of the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, and the integration of the Yangtze River Delta, fully serving national strategies.

16. Social Responsibility Report



Case: Supporting the Reform and Development of Central and State-Owned Enterprises

The Guangdong Branch actively serves the reform of local state-owned enterprises. In response to the demand for revitalizing a series of inefficient assets of a state-owned enterprise in the Greater Bay Area, we conducted in-depth research and focused on breakthroughs. We developed revitalization plans categorized by asset types and different transfer methods, carefully designed transaction structures that meet multiple parties' demands, and fully utilized rescue financial functions, investing a total of RMB1.755 billion to assist the state-owned enterprise in asset divestiture and revitalization, promoting project operational efficiency and supporting local economic development.

The Tianjin Branch, relying on the strategic cooperation agreement framework between CITIC Group and the Tianjin Municipal People's Government, fully leverages the functional positioning of asset management companies, delves into its main responsibilities, and invested RMB2.2 billion to successfully implement a substantial restructuring project of a large state-owned enterprise under municipal ownership. This project is based on the actual situation of the enterprise, integrates professional resources, and restructures and revitalizes existing assets of nearly 800,000 square meters of property, helping the state-owned enterprise focus on its main business and form a virtuous cycle between existing assets and new investments.



CITIC FAMC Tianjin Branch implements a substantial restructuring project of a large state-owned enterprise

16. Social Responsibility Report



Case: Promoting High-level Opening-up

The Guangdong Branch successfully implemented the first substantial merger and reorganization project directly involving the “Belt and Road Initiative” in Guangzhou. After nearly four years, based on the effective collection of over RMB6 billion in non-performing debts, we conducted in-depth refined management, fully explored asset value, and leveraged our professional advantages as resource integrators, solution designers, and fund providers. We collaborated with creditors, courts, bankruptcy administrators, debtor enterprises, and industrial investors to create a “shared benefit debt + reorganization investment” relief package, effectively addressing issues related to overseas oilfield pipeline repairs and debts, while supporting local economic development and employment. The consulate general of the country where the project is located in Guangzhou sent a letter of gratitude to the Company, expressing full recognition.



Case: Serving the High-quality Development of the regional Economy and Society

The Chongqing Branch focuses on national strategies such as the Chengdu-Chongqing economic circle and the construction of a western financial center, leveraging the collaborative advantages of CITIC Group to precisely address the cleanup and disposal needs of non-core assets of key state-owned enterprises. We scientifically formulate service plans to support local state-owned enterprises in integrating industry sectors, improving operational efficiency, and enhancing core functions, thereby promoting the construction of a modern manufacturing cluster system. The Branch continuously assists enterprises in overcoming difficulties and benefits multiple industries including manufacturing, water conservancy, construction, and real estate.

The International Company actively explores new models for the disposal of non-performing assets, supports the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, promotes the interconnection of financial markets and infrastructure, and successfully launched the first “dual-cross model” non-performing asset package project in Guangdong Financial Assets Exchange, achieving several substantial breakthroughs including the first acquisition of a single overseas non-performing debt and the first linkage of investment and financing.

16. Social Responsibility Report

16.3.2 Serving the Real Economy

The real economy is the cornerstone of the national economy, and serving the real economy is the fundamental purpose of finance, representing the “great national interest” of finance. The Company, based on the functional positioning of financial asset management, serves the “needs of the nation” with what the “company can offer”, and continuously strengthens financial services in key areas such as strategic emerging industries, the transformation and upgrading of traditional industries, and the conversion of old and new driving forces, thereby precisely empowering new quality productive forces and supporting the high-quality development of the real economy.



Case: Focusing on Strategic Emerging Enterprises

The Company is actively expanding into strategic emerging sectors, supporting a key enterprise in the new energy lithium battery industry through market-oriented debt-to-equity swaps to optimize its asset-liability structure and accelerate its transformation and development. After the implementation of the project, the enterprise’s asset-liability ratio decreased by 7 percentage points, with an annual power battery installation capacity reaching 8.30 GWh. Its domestic ranking in power battery installations significantly improved, effectively enhancing the enterprise’s competitiveness in the industry.

The Financial Leasing is deeply implementing a dual-drive strategy in aviation and shipping, seizing the strategic opportunity of a “low-altitude economy”. By focusing on the general aviation market as an entry point and closely collaborating with domestic enterprises in the general aviation sector, it has initially formed an aerospace leasing industry chain covering large aircraft, helicopters, aircraft engines, and satellites. It has also launched the country’s first low-orbit global IoT satellite constellation project, with cumulative investments in the aviation sector exceeding RMB1.2 billion for the year.

Leveraging its expertise in asset management, the Company is increasing its support for the national low-altitude economy development strategy. Through a special opportunity equity investment project in a leading domestic general aviation transportation enterprise, it has helped the enterprise improve its shareholder structure and stabilize its decision-making framework, avoiding the adverse effects of equity changes on its business development. In the general aviation transportation sector, the Company has effectively utilized financial support to bolster the real economy, contributing financial strength to enhance the development level and international influence of China’s modern shipping services industry.

16. Social Responsibility Report



Case: Supporting the Transformation and Upgrading of Traditional Industries

The Company assisted a leading enterprise in the metal recycling industry in optimizing its debt structure and achieving sustainable development through market-oriented debt-to-equity swaps. After the implementation of the project, the enterprise's asset-liability ratio decreased by 16 percentage points, significantly enhancing its capital strength. Meanwhile, it promotes the enterprise to improve one-stop services for recycling and processing of renewable resources, builds an integrated network for renewable resources, strengthens resource recycling, reduces dependence on imported iron ore, and achieves low-emission transformation and upgrading of the steel industry.



Case: Creating a Model for Smart Cities

The industrial company actively serves the revitalization of key business districts in Wuhan by introducing advanced technologies such as real-scene 3D modeling to solve design and construction challenges. It has developed a comprehensive service plan that successfully promotes the resumption and reconstruction of projects, supports the relocation of over 600 households, and strongly contributes to the local smart city construction, maintaining regional social stability and people's livelihoods. The project won the International Design Awards (IDA): Bronze Award.

16. Social Responsibility Report

16.3.3 Mitigating Financial Risks

Our Company actively plays a role in counter-cyclical adjustment and financial rescue, leveraging the advantages of CITIC Group's "integration of industry and finance" to act as a "stabilizer" for the economic and financial system, a "firewall" against financial risks, and a "fire brigade" during financial crises. We support small and medium-sized financial institutions and key sectors such as real estate in mitigating risks and maintaining stable development of the local economy and society.



Case: Supporting the Reform and Risk Mitigation of Small and Medium-sized Financial Institutions

The central government has repeatedly emphasized the need to "safely resolve risks in small and medium-sized financial institutions", and regulatory authorities have introduced systems to support and encourage financial asset management companies to participate in the risk resolution of small and medium-sized financial institutions. As a practitioner in the risk resolution of small and medium-sized financial institutions, the Company places great importance on this and has established dedicated teams to promptly follow up on the risk resolution work of pilot banks. We actively participated in the design of solutions, seized the opportunity, and have taken the lead in the national pilot work for the disposal of non-performing assets in local small and medium-sized banks. We successfully implemented the first pilot project for the disposal of non-performing assets in small and medium-sized banks nationwide, achieving a significant breakthrough. Over the past two years, under the guidance and promotion of regulatory authorities and local governments, CITIC FAMC has actively planned, listened to needs, and resolved bottlenecks. Within the framework of regulatory requirements, we have taken the lead in trials and boldly explored innovative transaction models, acquiring nearly RMB100 billion in debt from small and medium-sized financial institutions, playing a positive role in supporting the reform and risk mitigation of local financial institutions and ensuring local financial stability.

16. Social Responsibility Report



Case: Dongjiadu project Three Openings and Three Closures Reflected the Industry-Finance Coordination to Alleviate Risks

With the support of the local government, the Company fully leverages its service advantages in counter-cyclical adjustment. We collaborate with a banking syndicate and coordinate with brother units of CITIC Group, employing professional methods such as legal isolation, substantive control, closed operation, and restructuring to balance the demands of local governments, residents, banks, and troubled real estate companies. We have tailored a win-win solution for the project, cumulatively investing RMB8.5 billion, successfully implementing the Dongjiadu rescue project through a “combination of equity and debt” approach, effectively addressing the issues of 4,400 relocated residents and 280 relocated enterprises regarding unpaid relocation compensation, and promoting the resumption of work and production to ensure the delivery of nearly 900 housing units. After entering the market, the project had three launches and three sellouts, with a total transaction amount reaching RMB21.5 billion, becoming the second-highest single project sales in Shanghai in the year. It has made a positive contribution to promoting the stable and healthy development of the local real estate market and maintaining social stability.



16. Social Responsibility Report



Case: Helping Enterprises Mitigate Risks and Supporting Stable Development

The Henan Branch alleviated difficulties for enterprises through a method of “increasing capital and shareholding + management restructuring”, successfully helping a large state-owned enterprise in Henan Province resolve debt risks and optimize its asset-liability and ownership structure. After the project was implemented, the overall risk of the enterprise was effectively controlled, profitability significantly improved, and the capacity for sustainable operation and development was notably enhanced.

The Jiangsu Branch fully utilized its capabilities in managing and integrating non-performing assets to customize a relief plan for a large retail and logistics group, addressing issues such as liquidity shortages and project construction stagnation. It also revitalized quality assets and effectively supported the resumption of work and production by gradually injecting relief funds, revitalizing nearly 3 million square meters of logistics assets, and promoting the resumption and reconstruction of projects to support stable enterprise development.

The Guangdong Branch leveraged its main business advantages to assist the key power station of the “West-East Electricity Transmission” strategy in the middle reaches of the Jinsha River to achieve a rebirth from difficulties. After successfully acquiring nearly RMB3.8 billion of non-performing debts from a certain enterprise, it conducted an in-depth analysis to explore the asset value in the hydropower industry, actively promoted the enterprise’s debt restructuring, reorganization, and revitalization, effectively supporting financial institutions in risk resolution and helping the enterprise enhance its power generation capacity.

16.3.4 Focusing on Livelihood Security

Our Company adheres to the political and people-oriented nature of financial work. Through innovative financial products and service models, we assist in the renovation of shantytowns, strive for “Guaranteeing Housing Delivery and Stabilizing Livelihoods”, and vigorously support key livelihood projects in healthcare, transportation, wholesale, and retail, fully demonstrating the responsibility and commitment of state-owned financial enterprises in ensuring and improving people’s livelihoods and maintaining social stability.

16. Social Responsibility Report



Case: Leveraging Professional Advantages, Gathering Strength for Helping Enterprises and Benefiting the Public

In response to liquidity difficulties faced by a certain listed company in the wholesale and retail industry, which was on the verge of halting supermarket operations, the Guangdong Branch utilized its professional advantages in revitalizing non-performing assets. It conducted an in-depth analysis of the regional market situation and industry prospects, assessed the debtor's strengths and weaknesses in the regional market, investigated the debtor's operational status and the investment needs for restarting supermarket operations, and actively coordinated the interests of local governments, creditors, distressed enterprises, and relief fund providers. By maximizing the search for common interests, in collaboration with the Hunan Branch, it successfully implemented a bankruptcy reorganization project through a "shared benefit bond + restructuring investment" approach, supporting the reopening of over 70 supermarket stores of the enterprise, maintaining employment for more than 14,000 employees, and ensuring the production and operation of upstream and downstream suppliers, farmers, and livestock breeders, thereby playing a positive role in stabilizing growth and safeguarding livelihoods.



Livelihood Project Delivery Site of the Local
"Guaranteeing Housing Delivery" Supported by CITIC FAMC Guangdong Branch

16. Social Responsibility Report



Case: Supporting Shantytown Renovation, Driving Regional Development

The Jinan Beihu area shantytown renovation project has not been completed for nearly ten years due to numerous issues and diverse interest demands, resulting in development progress far below expectations and causing significant negative impacts on the area's development and urban image. The Shandong Branch comprehensively utilized various methods such as debt restructuring, property rights restructuring, and management reconstruction to fully participate in a certain group's Jinan stock shantytown renovation inefficient asset restructuring project, investing RMB2.5 billion to solve the enterprise's liquidity issues. By revitalizing underlying assets, the project improved the sales conversion rate, effectively facilitating the relocation work for a total of 8,806 households across seven villages in the Beihu area, supporting the local government in creating a model for revitalizing shantytown renovation projects and optimizing regional development planning.



Case: Supporting the Healthcare Sector, Serving the Well-being of the People

Blood products are important strategic materials for the country, related to public health and biological information security. The Company leverages the rescue function of financial asset management companies, actively participating in judicial auctions based on in-depth due diligence, investing over RMB1.6 billion to acquire equity in a leading domestic blood product listed company, and assisting enterprises in the livelihood sector to alleviate difficulties and resume production.

The Financial Leasing launched the "Rongyigou" direct leasing product for medical equipment, serving grassroots medical institutions in updating their equipment. It provided over RMB400 million in medical equipment leasing services to a future medical center in Zhejiang. This project has been included in Zhejiang Province's major construction projects for 2024 under the "Thousand Major Projects, Trillion Yuan Investments" Initiative. The Financial Leasing procured necessary medical equipment from 17 medical equipment suppliers within Zhejiang throughout the year, effectively alleviating the financial pressure on grassroots medical institutions, accelerating the operation of new hospital areas, and better serving local livelihoods.

16. Social Responsibility Report

16.4 Environmental Responsibility

The Group actively responds to the challenges of climate change, practices the concept of green finance, fully supports the national strategy of “carbon peak and carbon neutrality”, aligns with the trend of green low-carbon transformation, strengthens climate risk management, innovates green financial services, assists enterprises in low-carbon transformation, and actively promotes low-carbon operations, striving to write a significant chapter in green finance with practical actions.

16.4.1 Addressing Climate Change

In the context of increasingly severe global climate change, the Company actively fulfills its environmental responsibilities by integrating climate change responses into all aspects of our strategy and operations. We comprehensively address climate risks and seize opportunities for green development from four dimensions: governance, strategy, risk management, and indicators and targets.

Governance. The Company established a sound governance system, where our decision-making body regularly reviewed climate change-related risks, discussed and examined specific climate change issues, and prioritized climate change mitigation and adaptation as one of the key focuses for relevant business departments. In 2024, we revised the CITIC FAMC Comprehensive Risk Management Measures to incorporate climate and environmental risks into the comprehensive risk management system, clarifying the management responsibilities and requirements for various types of risks.

Strategy. We assessed the potential operational and financial impacts of climate change on the Company, actively participated in climate governance, and engaged in insurance and service innovation in the field of climate change. We attempted to quantify the impact of climate risks on the investment portfolio using big data, stress testing, and other methods while exploring climate investment opportunities. Based on the functional positioning of financial asset management companies, we further optimized the industry layout of our main business, actively supported the transformation and upgrading of traditional manufacturing industries, and fostered the development of strategic emerging technology industries, promoting the high-end, intelligent, and green development of manufacturing.

Risk Management. We incorporated environmental impacts and climate risks into project risk considerations and assessments, identifying physical risks, transition risks, and other factors while evaluating their likelihood and impact on the Company. In business selection, we investigated and assessed the energy consumption and environmental protection qualifications of projects, prohibiting the initiation of high-energy consumption, outdated capacity, and projects that did not meet environmental protection standards. We emphasized environmental risk considerations in the business review guidelines manual, such as separately highlighting ‘energy security and environmental protection requirements’ in the non-real estate business review points, including the completion status of energy dual control targets in the region and the impact of ‘dual carbon’ policies on counterparties.

Indicators and Targets. We actively promoted the establishment of carbon emission and energy management targets and ensured proper tracking and reporting of progress toward these targets. Through energy-saving and emission-reduction measures, such as adopting sustainable energy, promoting recycling, reducing paper consumption, and encouraging green low-carbon travel, we effectively reduced energy consumption and carbon emissions.

16. Social Responsibility Report

16.4.2 Innovating Green Finance

Green finance is an important driving force for green and low-carbon development. As an active practitioner of green finance, the Company proactively aligns with the trend of green development, actively expands green financial services, supports the development of photovoltaic, low-carbon environmental protection, pollution prevention, new energy, and other fields, strategically positions itself in industries and core assets with national policy support and development potential, and maintains a year-on-year increase in green finance investment, continuously promoting the quality and efficiency of financial services.



Case: Empowering Steel Enterprises for Green and Low-Carbon Transformation

The Hebei Branch successfully implemented a substantial restructuring project for a certain steel enterprise in Hebei, by introducing industrial investors and providing financial support. Through public bidding in the provincial property trading market, it helped the steel enterprise successfully revitalize the physical assets such as the iron-making, steel-making, and rolling production lines that remained in the old factory area after relocation. This financial approach promotes the recycling of resources like scrap steel, achieving the goal of “turning waste into treasure”. On average, every ton of scrap steel can save 0.4 tons of coke consumption, reduce wastewater by 76%, waste residue by 72%, and exhaust emissions by 86%, thereby promoting energy conservation, emission reduction, and low-carbon environmental protection. Meanwhile, the steel enterprise accelerated the process of relocating from the city and constructing coastal projects, enhancing the overall image of the local city, reducing urban pollution, and effectively improving the urban ecological environment.



A Substantial Restructuring Project for
a Certain Steel Enterprise Implemented by CITIC FAMC Hebei Branch

16. Social Responsibility Report



Case: Promoting High-quality Development of Environmental Protection Enterprises

The Tianjin Branch flexibly utilized the “toolbox” of financial asset management company business, investing RMB1.2 billion in the form of market-oriented debt-to-equity swaps for the equity restructuring and management restructuring of a large municipal solid waste treatment enterprise in Tianjin. This supports the enterprise’s business model transition from solely waste incineration power generation to a comprehensive solid waste treatment full industry chain, promoting the enterprise to accelerate its industrial transformation and upgrading and improve quality and efficiency. After the project implementation, the enterprise’s annual waste treatment volume is expected to increase by over 35% year on year, straw treatment volume by over 195% year on year, and power generation volume by over 51% year on year. The green production capacity has been significantly enhanced, and the business model is evolving from primarily waste incineration power generation to a full industry chain direction involving circular economy industrial parks, kitchen waste, medical waste, hazardous waste, and waste classification collection and transportation, forming a comprehensive solid waste treatment full industry chain layout. While helping enterprises enhance their sustainable development capabilities, it has also strongly supported the improvement of local municipal public service efficiency and the development of the real economy.

The Financial Leasing implemented the “Solidifying Chains and Strengthening Enterprises” initiative, focusing on the photovoltaic industry. It precisely matched the financial needs of industries and projects across various links such as upstream and downstream silicon materials, batteries, and components, continuously expanding the coverage and extension of services. Tailored service plans were matched for each enterprise, providing credit to a leading photovoltaic silicon material enterprise and engaging in direct leasing cooperation with its downstream photovoltaic component enterprise, promoting the upgrade of the photovoltaic industry chain supply chain towards intelligence and greenness. Meanwhile, it innovatively launched household distributed photovoltaic projects, implementing a “whole county promotion” strategy through a digital online platform, cumulatively supporting the construction of nearly 30,000 power stations, helping to reduce carbon emissions by over 600,000 tons.

The Ningxia Branch, based on the local new energy development status and the actual needs of enterprises, successfully acquired nearly RMB1.9 billion in debt from a certain photovoltaic power generation enterprise in Ningxia, coordinating multiple parties including creditors, investors, and managers to promote the enterprise’s bankruptcy reorganization, revitalizing the enterprise’s 300-megawatt photovoltaic power generation project. After the Company resumes normal operations, it is expected to generate over 450 million kWh of new energy power annually, saving 350,000 tons of carbon emissions, equivalent to saving about 135,000 tons of standard coal, with annual revenue exceeding RMB300 million. Both carbon emission savings and revenue are expected to increase by over 30% compared to those before the restructuring.

16. Social Responsibility Report



Case: Supporting Energy Enterprises in Low-carbon Transformation

The Henan Branch leveraged its professional advantages to successfully implement a relief project for a large aluminum enterprise through debt acquisition and asset restructuring, effectively revitalizing the Company's inefficient assets, mitigating litigation and credit risks arising from debt defaults, and enhancing its asset value and profitability. In response to customer needs, the Company extended its service chain, investing RMB247 million to support the listed company of the enterprise group in implementing equity mergers and acquisitions, helping the enterprise optimize its organizational structure, reduce production costs, and enhance profitability. After the implementation of the project, the structure of the enterprise's green hydropower aluminum production capacity was significantly optimized, with the proportion of green low-carbon capacity increasing from 35% to 70%. The enterprise's operational status has continuously improved, achieving a turnaround from losses to profits, generating positive social feedback and a strong demonstration effect.

16.4.3 Practicing Low-Carbon Operations

In strict adherence to relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Urban Household Waste Management Measures*, we practice the concept of green low-carbon office, advocate for green travel, reduce waste generation, implement energy conservation and emission reduction, and strive to build a green enterprise.

16.4.3.1 Green Office Initiatives

We strengthen energy-saving awareness and promote green office practices. Through meetings, promotional platforms, and other forms, we vigorously promote low-carbon knowledge to enhance employees' awareness of energy conservation. We urge employees to turn off some lights during lunch breaks and overtime, as well as to shut down unused computers or set them to energy-saving mode promptly. The Company ensures that all electrical appliances in the office are turned off after work and that the air conditioning is set to a reasonable temperature. We encourage employees to take small actions, cherishing every kilowatt of electricity, every drop of water, and every sheet of paper.

16. Social Responsibility Report

We optimize resource allocation and strengthen energy conservation and emission reduction. We prioritize methods such as relocating between floors when adjusting office space to minimize the purchase of new workstations and reduce procurement costs. When purchasing office equipment, we give preference to energy-saving and energy-efficient products and select green materials with good environmental compatibility for main materials to conduct energy conservation and emission reduction at the source. We replace old lighting fixtures with LED energy-saving lamps to lower energy consumption. The Company strictly follows government guidelines to implement waste classification and recycling policies, ensuring the reasonable allocation of classified trash bins in the office area.

We strengthen water management and improve water efficiency. We enhance the daily maintenance management of water equipment, post “Save Water” reminders, control faucet flow, switch from continuous flushing to intermittent flushing, and reuse water in the cafeteria, such as using rice washing water for dish washing, to improve water resource utilization efficiency.

We optimize equipment management to reduce waste emissions. We select qualified electronic waste dismantling vendors for waste disposal to minimize environmental pollution. Following the principle of reuse, we reallocate internal equipment to make full use of existing resources, and centrally donate equipment that meets the scrapping criteria but still has value.

We standardize vehicle management to reduce energy consumption. We implement a management system for official vehicles, strictly prohibiting the private use of public cars, regulating the scope of official vehicle use, and planning reasonable travel routes. All drivers comply with speed limits, avoid prolonged high-speed driving, regularly clean fuel injectors and replace filters, and turn off air conditioning when parked. The Company establishes a vehicle ledger, conducts regular maintenance to prevent excessive fuel consumption, and reduces the frequency of use for vehicles with high fuel consumption.

We promote paperless office practices to reduce paper usage. The Company encourages paperless office practices to minimize paper consumption. We choose double-sided printing for office paper and post “Save Paper” reminders on printers. To promote frugality, we post posters stating “Practice Thrift, Oppose Waste” in relevant places. Office consumables such as light bulbs and waste paper are specially recycled by a third party. We actively respond to the HKEX’s paperless communication policy, with the number of printed copies of our regular reports and circulars decreasing by about 90% in 2024, effectively reducing the negative impact on the environment by minimizing paper usage.

16. Social Responsibility Report

16.4.3.2 Environmental Performance

Indicators	Unit	2024
Electricity consumption	kWh	15,316,249.78
Gasoline consumption	liters	449,809.30
Natural gas consumption	m ³	387,233.13
Purchased heat	million kilojoules	576,958.11
Liquefied petroleum gas consumption	m ³	3,940.80
Total energy consumption ¹	Tons of coal equivalent	2,906.95
Energy consumption intensity	tce/person	0.57
Scope 1 and Scope 2 GHG emissions ²	Tons of carbon dioxide equivalent	73,544.35
Per capita GHG emissions	Tons of carbon dioxide equivalent/person	14.51
Water consumption	tons	246,273.13
Per capita water consumption	tons/person	48.59
Office paper usage	tons	65.98
Per capita office paper usage	tons/person	0.01
Discarded toner cartridge	piece	4,112
Discarded ink cartridge	piece	423
Discarded lamp tube	piece	2,451
Electronic waste ³	tons	6.48
Household waste	tons	10,728.75
Kitchen waste	tons	389.78
Total amount of non-hazardous waste ⁴	tons	11,125.01
Per capita harmless waste	tons/person	2.20

1 During the reporting period, CITIC FAMC conducted statistical accounting of the consumption of various types of energy resources by the Company's headquarters, branches and subsidiaries as the disclosure scope for 2024. The energy consumed by CITIC FAMC during its operations mainly includes office electricity, office heating, and gasoline for official vehicles. The resources consumed mainly consist of office water and paper.

2 The calculation of scope 1 GHG emissions is based on the *Reporting Guidance on Environmental KPIs of the Environmental, Social, and Governance Reporting Code of the Hong Kong Exchanges and Clearing Limited*, which is calculated by converting the direct energy use of gasoline, natural gas, and liquefied petroleum gas. The sources of scope 2 GHG are purchased electricity and purchased heat. The electricity emission factor refers to the Ministry of Ecology and Environment's *Announcement on the Release of Electricity Carbon Dioxide Emission Factors in 2022*, and the heat emission factor refers to the *GHG Emission Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors (Trial)*. Due to the inclusion of carbon emissions from purchased heat in Scope 2 for 2024, the GHG emissions for Scope 1 and Scope 2 in 2024 will see a significant increase compared to 2023.

3 During the reporting period, CITIC FAMC conducted statistical accounting of various types of waste at the Company's headquarters, branches and subsidiaries as the disclosure scope for 2024.

4 Statistics on non-hazardous waste include domestic waste, kitchen waste, and electronic waste. The calculation method for the total amount of office waste is referenced from the *Manual of Emission and Discharge Coefficients for Urban Domestic Sources on the First National Census of Pollution Sources* published by the State Council.

16. Social Responsibility Report

16.5 Employee Responsibility

Our Group closely focuses on overall business development, deeply implements the talent-driven enterprise strategy, strives to strengthen the construction of a high-quality professional talent team, continuously optimizes the team structure, establishes a transparent, scientific and reasonable positive incentive and restraint mechanism, enhances employee training and development, and emphasizes improving the job performance and professional quality of both cadres and employees. We encourage employees to take responsibility and continuously enhance the cohesion and combat effectiveness of the team, providing solid talent support for achieving the “One-Three-Five” strategic goals. We care for and support employees, actively respond to their concerns, and safeguard their interests, providing a competitive compensation and benefits system, a fair and smooth promotion channel, and a scientific and comprehensive training system. We are dedicated to creating a fair, just, diverse, harmonious, safe, and healthy work environment.

16.5.1 Protecting Employee Rights

The Group strictly complies with the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Social Insurance Law of the People’s Republic of China*, and other laws and regulations, and establishes a comprehensive, equal, and democratic internal employee management system to protect employee rights, ensure benefits, build harmonious and stable labor relations, create a diverse, inclusive, equal, and fair work atmosphere, implement humane management, and strictly prohibit forced labor, child labor, and other labor disputes, as well as discrimination based on race, gender, age, and religious beliefs. In 2024, the Company achieved a 100% employee labor contract signing rate. We established various types of leave, including annual leave, family visit leave, marriage leave, bereavement leave, sick leave, maternity leave, parental leave, and work injury leave, fully safeguarding employees’ rights to rest and take leave. Other details regarding employee rights were listed in “8.3.6. Human Resources Management”.

16.5.1.1 Improving the Selection and Appointment Mechanism

We strictly follow the *Measures for the Management of Employee Appointments and Removals of CITIC FAMC*, the *Detailed Rules for Talent Introduction Management of CITIC FAMC*, the *Employee Recruitment Regulations*, and other relevant policies in executing employee recruitment, introduction, and selection and establish a scientific, standardized, and effective mechanism for selection and appointment. We adhered to the principles of fairness and impartiality, established clear selection criteria, standardized the selection and appointment process, strengthened supervision and disciplinary accountability, and facilitated career development pathways to support employees’ professional growth. Additionally, we regulate and refine labor contract management following the *Measures for the Management of Employee Labor Contracts of CITIC FAMC*, fostering a harmonious and stable labor relationship.

16. Social Responsibility Report

16.5.1.2 Optimizing the Compensation and Benefits System

We improve the compensation system. We established a comprehensive employee compensation system that includes multiple policies such as personnel cost management methods and salary management standards. During the Reporting Period, the Company revised and issued the Company's internal retirement management regulations, optimizing and adjusting the conditions, benefits, and daily management of internal retirement to continuously meet employee needs.

We enhance medical security. On the basis of participating in the local basic medical insurance, the Company established supplementary medical insurance, and gradually improved employees' medical security level by regularly enhancing commercial medical insurance plans to address employees' concerns.

We conduct compensation distribution and inspection.. The branches and subsidiaries completed the revision of the performance salary distribution details for 2024, establishing a scientific, reasonable, and fair compensation distribution mechanism. Special inspections on compensation management in branches and subsidiaries were conducted. Through on-site and off-site research, the Company headquarters guided each branch and subsidiary to strengthen the construction of the compensation system and improve the standardization of compensation management.

We offer non-salary benefits. Based on the Company's employee welfare fund management regulations and employee attendance and leave management regulations, we conducted non-salary welfare work for employees. The welfare scope covered formal employees and retired employees who had established labor relations with the Company, ensuring diverse welfare rights for employees.

16.5.1.3 Strengthening Democratic Management

The Group attaches great importance to the role of the Employee Representative Assembly, ensuring employees' democratic participation and decision-making rights through this Assembly. In 2024, we revised the *Implementation Regulations for the Employee Representative Assembly of CITIC FAMC* to promote the standardized operation and effective performance of employee representative assemblies at all levels of the Company, continuously improving the level of democratic management. We also held the First Session of the Fourth Employee Representative Assembly to effectively play the positive role of employee participation in democratic management.

16.5.1.4 Conducting Employee Satisfaction Surveys

In 2024, we conducted a questionnaire survey for all employees to understand their confidence in the Company's reform and development, evaluation of performance incentives and salary income, employees' ideological and cultural status, the overall work status of various units, individual mental state and pressures faced, as well as employees' career development and growth. A total of 3,221 valid questionnaires were collected, identifying 248 issues raised by employees. The survey results showed that 95.18% of employees were satisfied with the results of various reforms and developments since we joined the CITIC Group.

16. Social Responsibility Report

Indicator	Unit	2024
Total number of employees	person	5,068
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Number of employees by gender		
Male employees	person	2,712
Female employees	person	2,356
Number of employees by age		
35 and below	person	1,823
36 – 45	person	2,124
46 – 55	person	856
56 and above	person	265
Number of employees by region		
Domestic	person	4,946
Overseas	person	122
Employee turnover rate by gender		
Male employees	%	3.82
Female employees	%	3.83
Employee turnover rate by region		
Domestic	%	3.48
Overseas	%	19.65
Employee turnover rate by age		
35 and below	%	4.36
36 – 45	%	4.40
46 – 55	%	2.29
56 and above	%	0.91

16. Social Responsibility Report

Indicator	Unit	2024	2023	2022
Number of work-related fatalities	Person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work-related injury	Day	343	242	53

16.5.2 Promoting Employee Development

Our Company is committed to supporting employee development by improving the education and training system, building a multi position experience platform and implementing talent development programs, and establishing regular performance evaluation and feedback processes. We aim to comprehensively assist employees in enhancing their professional skills and overall quality, focusing on building a high-quality and specialized talent team.

16.5.2.1 Employee Training

In line with the Company's 14th Five-Year Plan for talent development and closely aligned with the Company's central development tasks, our Group effectively integrates training work into the overall business development strategy, providing strong learning support and training guarantees for employees' career development.

In 2024, we promote the development of our education and training work toward a scientific, institutionalized, and standardized direction following the *CITIC FAMC Employee Education and Training Management Measures*. We organized and conducted a seminar for middle management personnel on "Enhancing Four Key Business Competencies", focusing on broadening the work ideas of middle-level reserve cadres and improving their business capabilities and management levels. We collaborated with the School of Continuing Education at the Renmin University of China to implement the "Elite Plan" and organize two intensive learning sessions of the "Excellence Training Program" and one session of the "Elite Training Program", focusing on cultivating a team of high-quality, professional young cadres who are loyal, clean, responsible, implement the group's strategy, identify with the CITIC culture, and are full of vitality. We organized and held 104 specialized training sessions around the main business' s "Four Key Business Competencies" and the construction goals of the "Two Supporting Systems" to enhance employees' professional knowledge and practical skills. We conducted diverse training and educational activities for new employees, using various methods such as focused study, team-building exercises, cultural and sports activities, and assessment tests, to help new employees quickly integrate into CITIC culture, understand our strategic direction, and master knowledge of the main business and relevant regulations. We planned and coordinated the training and development of management trainees, and issued the *Implementation Rules for the CITIC FAMC Management Trainee Program*.

16. Social Responsibility Report

Indicator	Unit	2024
Employee training coverage rate	%	100
Employee training expenses	RMB10,000	615.10
Average training hours per senior management	hours	249.70
Average training hours per middle management	hours	270.40
Average training hours per primary employee	hours	216.90
Average training hours per male employee	hours	220.49
Average training hours per female employee	hours	220.49
Proportion of trained senior management	%	100
Proportion of trained middle management	%	100
Proportion of trained primary employees	%	100
Proportion of trained male employees	%	100
Proportion of trained female employees	%	100

16.5.2.2 Employee Incentives

Our Group values the construction of the assessment system, emphasizes adherence to market-oriented principles, and establishes a clear direction of “rigorous evaluation, strict linkage, emphasis on execution, and performance rewarding”. In accordance with the requirements of the *CITIC FAMC Annual Assessment Management Measures*, we strengthen quantitative assessments, implement tiered classifications, clarify performance orientation, highlight contributions to duties, refine assessment levels, and enhance the application of results. Furthermore, we emphasize performance feedback to help employees improve work quality and efficiency, thereby stimulating team vitality and unleashing internal motivation.

16.5.3 Caring for Employee Health

Our Group always adheres to a “people-oriented” approach, focusing on employees’ occupational health and safety, actively seeking benefits for employees, and addressing practical issues. We optimize medical security, provide diversified health services, and strengthen safety management to comprehensively ensure the physical and mental health of employees, creating a safe and healthy working environment that enables mutual development for the enterprise and its employees.

16. Social Responsibility Report

We improve medical security. By regularly improving commercial health insurance plans, we raise the medical security level for employees and alleviate the concerns of sick employees. The Company conducted the additional coverage of supplementary medical insurance in 2024 and the renewal of supplementary medical basic coverage in 2025, further optimizing and standardizing the employee claims process, ensuring that employees received timely medical support when needed.

We strengthen safety management. The Company enhanced employees' safety awareness and emergency response capabilities by organizing video conferences on safety work, conducting comprehensive safety inspections of the headquarters building, and holding fire safety training lectures and emergency drills. We organized "Safety Production Month" activities, guiding various units to conduct in-depth safety inspections, hazard rectifications, emergency drills, and educational campaigns to ensure safe and stable operations.

We pay attention to mental health. The Company held a special event at CITIC FAMC in alignment with the CITIC Group's "Delivering Health to the Grassroots" activities. We organized online mental health lectures, with nearly a thousand employees participating and receiving positive feedback. The headquarters and the Beijing Branch conducted two group psychological counseling sessions, with over 80 participants, helping employees alleviate negative emotions such as depression and anxiety, maintain a healthy mental state, and achieve better self-development.

We focus on the rights and interests of female employees. The Company effectively safeguarded the legitimate rights and special interests of female employees, and actively organized and promoted the signing of the *Special Collective Contract for the Protection of Female Employees' Rights*. As of now, the *Special Collective Contract for the Protection of Female Employees' Rights* has been signed four times, effectively consolidating the Company's mechanism for protecting the rights of female employees. The Company provided special health check-ups for female employees every year to ensure they can timely understand their health status and prevent diseases.

16. Social Responsibility Report

16.5.4 Caring for Employees

The Group cares about the well-being of its employees, implementing actions to strengthen employees' sense of identity and belonging to the Company, and continuously enhancing the cohesion and centripetal force of the team. In 2024, we continued to strengthen our efforts in employee care by providing special assistance, conducting "Warmth Delivery" visits, improving employee leisure facilities, and organizing various business skill competitions and cultural activities. These initiatives effectively addressed employees' concerns and enriched their cultural activities, helping them achieve a balance between work and life.

We provide medical assistance and support. The Company headquarters allocated RMB280,000 in medical assistance funds to five employees from four branches and subsidiaries, effectively alleviating their financial burden and providing them with warmth.

We provide disaster-specific subsidies. Due to the severe impact of Typhoon "Yagi", the Hainan Branch and some employees' families suffered significant losses. The Company headquarters' labor union allocated a special subsidy of RMB80,000 to the labor union of the Hainan Branch to supplement disaster relief supplies, assist and comfort severely affected employees, and help them quickly resume their work and daily lives.

We carry out rich festival care activities. During the New Year and Spring Festival, we actively conducted the "Warmth Delivery" visits, providing comfort to 76 employees with a total amount of RMB228,000, allowing them to feel the warmth and care of the Company.

We improve employee leisure facilities. We redesigned and renovated the employee gym, purchased new fitness equipment, and introduced CITIC Bookstore's smart book cabinets to facilitate book borrowing, enriching employees' leisure time and enhancing their quality of life.

We hold business skills competitions. We organized a business skills competition for young employees, providing them with a platform to showcase their talents, improve their skills, and support their career development.

We organize various cultural and sports activities. The headquarters hosted more than 10 online and offline cultural and sports activities, including calligraphy and photography exhibitions, sports meetings, and online walking events, while branches and subsidiaries organized over 100 diverse cultural and sports activities.

16. Social Responsibility Report



The Company held the “Chasing Dreams on a New Journey, Striving for the Future” employee sports meeting.

16. Social Responsibility Report

16.6 Customer Responsibility

Customers are the foundation of a business. Our Group places great importance on optimizing customer service, making efforts from multiple dimensions such as improving service quality and efficiency, advancing information technology, and protecting privacy data, continuously enhancing customer experience and service quality.

16.6.1 Improving Service Quality and Efficiency and Optimizing Customer Experience

Our Group continuously deepens customer management practices, fully understands customer demands, establishes and maintains customer relationships, enhances the quality and efficiency of customer service, and increases customer satisfaction with the Company's services.

We built a specialized marketing system and established a dedicated marketing mechanism for central and state-owned enterprise clients under the leadership of the Company's management. We issued the *CITIC FAMC Customer Management Unit Confirmation Rules* to enhance our customer marketing and service capabilities through customer marketing, product promotion, relationship maintenance, and business channel development. The Company developed and implemented the *CITIC FAMC Customer Complaint Management Standards*, set up a complaint hotline on our external network, and established a first-contact responsibility system for complaints within the Company. We clarified the principle of customer ownership and established mechanisms for timely processing and information confidentiality, continuously optimizing the customer complaint handling process, actively listening to customer feedback, and improving our customer complaint management standards. During the reporting period, the number of customer complaints we received was zero.

We coordinated and strengthened the top-level design of customer service, issued the *2024 Work Plan for Customer Marketing and Business Collaboration* and the *Work Plan for Central Enterprise Customer Marketing Team Building*, and established working mechanisms such as "marketing follow-up" and "one team for each central enterprise customer". The Company timely adjusted and optimized marketing strategies to improve marketing quality. We precisely matched and actively responded to customer needs, providing personalized financial services tailored for enterprises, focusing on solving core customer concerns and enhancing customer loyalty. We carried out four themed marketing activities for small and medium-sized financial institutions and "specialized, refined, distinctive, and innovative" enterprises, organizing four regional marketing meetings in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Greater Bay Area, and the Northwest.

16. Social Responsibility Report

16.6.2 Promoting Information Development and Empowering Financial Technology

16.6.2.1 Establishing the Information Technology System

The Company implemented CITIC Group's *14th Five-Year Plan for Digital Development*, actively integrated into CITIC Group's "Four Ones Project," supported the Company's "One-Three-Five" strategic goals, and promoted the Company's "14th Five-Year" technology construction work with high quality. We developed the *Information Technology Digital Action Plan* to determine the work goals and roadmap for the Company's information construction.

According to the *Artificial Intelligence+ Action Plan of the CITIC Group*, we developed the *CITIC FAMC Artificial Intelligence+ Action Plan*, which expanded the application scenarios of artificial intelligence in areas such as pre-investment due diligence, post-investment preservation, risk control, and legal compliance, leveraging artificial intelligence to empower business.

In line with the needs of information technology work, we formulated multiple information management systems covering five major areas: application system construction management, operation and maintenance, risk security compliance, data control, and comprehensive technology.

16.6.2.2 Promoting the Digitization of Information Technology

The Company built a new core system for business, designed a data architecture and centralized control based on industry characteristics, and completed the development of the main system functions and pilot operation. We reused CITIC Group's digital capabilities to carry out Financial 2.0 construction, promoted cloud-based office operations, and developed a three-year action plan for optimizing data center layout and migrating application systems to the cloud. We consolidated the data foundation, using EAST reporting as a starting point to significantly improve data quality, with the parent company's EAST reporting fully systematized for collection, ensuring controllable processes and traceable data.

The Company promoted the construction of key applications, launched the post-investment management monitoring platform, completed the optimization of the evaluation system and the promotion of subsidiaries, launched the electronic accounting file system, initiated the reconstruction of the tax system, carried out the upgrade and transformation of the human resources system, and improved the paperless office platform. We established a normalized cybersecurity operation system, conducted security checks on weak links in subsidiaries, promoted the deployment of network probes in subsidiaries to achieve comprehensive security monitoring, gradually advanced the localization transformation of application systems, and increased the proportion of domestic terminal procurement to 30%.

16. Social Responsibility Report

16.6.3 Ensuring Data Security and Protecting Personal Privacy

We strengthened the management structure and system construction. The Group attached great importance to data security and customer privacy. The Board of Directors oversaw information security and technology risk matters as authorized, while the Data Governance and Information Technology Management Committee under the Management of the Company fulfilled the decision-making responsibilities for data security management. The Information Technology Department was the designated management department for data security. A series of information security management systems were formulated by the Company, including the *Work Rules on Data Governance and Information Technology Management Committee of CITIC FAMC*, the *CITIC FAMC Data Security Management Specifications*, the *CITIC FAMC Information Technology Outsourcing Risk Management Specifications*, the *Management Measures for Information Technology Risk and Information Security of CITIC FAMC*, the *CITIC FAMC Customer Information Management Specifications*, and the *CITIC FAMC Information System Emergency Management Specifications*, which standardized the information security and risk management requirements and workflows in various management areas of information technology.

We obtained information security certification. In 2024, the annual certificates were obtained by the Company through the China Cybersecurity Review Certification and the ISO20000/27001 management system certification from the Market Supervision Big Data Center. The scope of certified business covered the information technology management work and IT service guarantee business provided for the Company, as well as information construction planning, information system operation and maintenance, and data management services.

We conducted information security drills. Starting from “practical combat”, systematic governance and full-chain prevention and control of cybersecurity risks were strengthened. Cybersecurity drills were completed, with over 6.82 million attacks resisted, achieving “zero breaches” during the exercises. Information security system audits were conducted, with one external special audit independently carried out by an external auditing firm focusing on information technology management, technology outsourcing management, and data governance.

We emphasized personal information protection. To protect personal information (including various information related to identified or identifiable natural persons recorded electronically or in other ways), the *CITIC FAMC Personal Information Protection Management Specification* was formulated by the Company, standardizing the management of behaviors such as application, approval, authorization, record-keeping, and supervision of personal information usage. Personal information protection publicity and training were irregularly organized to continuously promote the reasonable use of personal information and prevent personal information security risks. The Company did not engage in renting, selling, or providing customer data to third parties for purposes other than completing transactions/services.

16. Social Responsibility Report

We implemented data access control and protection. The scope of personnel authorized to access personal information was clearly defined, and access control with minimized permissions was established, allowing them to access only the minimum necessary personal information required for their duties and granting only the least data operation permissions needed to fulfill their responsibilities. Personal sensitive information displayed through screens, paper, and other interfaces was anonymized. During the development and testing of information systems, sensitive personal information in the development and testing environments was desensitized. The legality, compliance, and authenticity of external data suppliers and the data they provided were ensured through due diligence, contractual agreements, and other means. The security of data in third parties was ensured through contractual constraints and other measures.

We prevented data leakage. Emergency response plans for data security incidents were developed, clearly defining the channels for discovering data security incidents, monitoring requirements, standards for classifying security incidents, reporting paths for incidents, and steps for handling incidents. The ability to prevent and respond to data security incidents was enhanced through strengthened daily management, promotional training, and organizing emergency drills.

We organized diverse educational and training activities. Training on data security awareness and privacy protection was organized, focusing on security situations, main attack methods, and case sharing. By setting up rolling screensavers, we disseminated knowledge on data security and privacy protection to all employees, guiding them to strengthen the protection of personal privacy.



Case: The Cybersecurity Operation System Construction Project Won the 15th Financial Technology Innovation Award

The cybersecurity operation system construction project for CITIC FAMC won the “Financial Technology Application Innovation Award” at the 15th Financial Technology Innovation Award organized by the *Financial Computerizing* under the People’s Bank of China. CITIC FAMC will take this award as an opportunity to continuously implement the decisions and deployments of the Party Central Committee regarding the financial “Five Priority”, deeply integrate digital thinking into business operations, strengthen technological empowerment, promote a safe and controllable digital transformation, and contribute to the construction of a strong financial nation through high-quality development.



16. Social Responsibility Report

16.7 Industry Responsibility

Our Group actively practices industry responsibility by signing strategic cooperation agreements with multiple central and state-owned enterprises, and local governments, and cultivating a long-term and stable client circle, ecosystem, and social circle for “big non-performing assets”. We comprehensively foster the development of the “Investment and Service Cooperation Alliance”, fully leveraging our respective advantages to achieve resource sharing and common development.

16.7.1 Deepening Industry Collaboration and Gathering Market Synergy

With rich experience in the non-performing asset sector, the Company leverages its professional advantages in four key areas: non-performing asset management, distressed institution rescue, revitalization of existing assets, and investment in special opportunities. On January 26, 2024, we held a launch ceremony and the Investment and Service Cooperation Alliance kickoff conference under the theme “Embracing a New Starting Point, Creating a New Future”. Adhering to the principles of “equality and mutual benefit, complementary advantages, resource sharing, and win-win cooperation”, we established the “Investment and Service Cooperation Alliance” in the non-performing asset field with partners including financial peers, central and state-owned enterprises, large private enterprises, industrial investors, local asset management companies, foreign investment institutions, trading platforms, law firms, and accounting firms. This aims to provide high-quality financial services to prevent and resolve economic and financial risks, effectively revitalize inefficient existing assets, and promote supply-side structural reforms.



16. Social Responsibility Report

Guided by the Company headquarters in building the “Investment and Service Cooperation Alliance”, 33 branches established a strong presence in their respective regions, focusing on serving local economic development. They promoted the construction of regional investment and service cooperation alliances in line with regional development strategies and resource endowments. In 2024, the branches held key business-focused exchanges based on the unique characteristics of their local markets, widely inviting key clients from the “ecosystem” and conducting regional market discussions. They strengthened market information sharing, deepened mutual understanding, and actively expanded business opportunities. The selected non-performing assets were simultaneously promoted both offline and online, raising market attention, enhancing brand recognition, and contributing to asset optimization, the smooth circulation of the economy, and high-quality development in the industry.

16.7.2 Actively Expanding Channels to Achieve Mutual Benefit and Win-Win Outcomes

Our Group relies on Internet technology to promote non-performing assets through online platforms such as the official website and WeChat official account “CITIC FAMC”, as well as the WeChat mini-program “Rongyitao”. We continuously enrich asset promotion methods, expand the intensity and breadth of asset promotion, enhance market activity, and improve the transparency of asset disposal information, thereby facilitating non-performing asset transactions and building the Company’s asset promotion brand. In 2024, the Company held more than 16 promotional meetings, introducing over 1,100 assets with a total asset value exceeding RMB300 billion. The Company’s official WeChat official account released 48 issues of asset promotion through the “Weekly Selection” special topic, involving quality assets with a debt scale of nearly RMB65 billion.

16. Social Responsibility Report



Case: Strengthening Asset Promotion Efforts to Create an Ecosystem for Non-performing Asset Management

The Company successfully held the “Riding the Wind and Waves to Gather Insights, Seeking Opportunities Across Cycles – 2024 Quality Asset Promotion Conference” in Beijing, launching assets with a total scale exceeding RMB30 billion, with over a hundred industry institutions including industrial investors, brokerages, real estate service platforms, Internet organizations, local asset management companies, and law firms participating on site. The conference simultaneously launched online live streaming on both Alibaba and JD platforms, expanding promotion channels through the “Internet + Non-performing Assets” model, overcoming regional limitations, enhancing market activity, and promoting the brand of CITIC FAMC Promotion, with the live streaming attracting over 180,000 viewers.

The Shenzhen Branch, in collaboration with brother units under CITIC Group and JD Assets, held the “Gathering Trust in the Greater Bay Area to Empower the Future” Special Opportunity Investment Seminar for CITIC FAMC and the South China Regional Quality Asset Promotion Conference. Nearly a hundred units and partners attended the conference, including government agencies, CITIC Group member units, large central and state-owned enterprises, banks, local asset management companies, and law firms, as well as evaluation, auction institutions, property exchanges, bankruptcy administrator associations, and non-performing asset investment institutions. By deepening information sharing, strengthening industry discussions, and building a consensus for development, we leverage our respective advantages to complement each other and drive industry development.

The Heilongjiang Branch, in collaboration with members of the CITIC Coordination Committee’s Heilongjiang regional branch, successfully held the “Empowering Development through Finance, Supporting the Revitalization of Longjiang” Financial Service Cooperation Initiative and Selected Asset Promotion Conference in Harbin, with representatives from over a hundred institutions including the Financial Office of the CPC Heilongjiang Provincial Committee, Heilongjiang Provincial Financial Regulatory Bureau, Harbin Municipal Financial Bureau, as well as cooperative financial institutions, state-owned enterprises, and industry investors. The promotion conference detailed the core business and products of the Heilongjiang Branch, promoted asset debt rights exceeding RMB6 billion on site, covered multiple categories such as residential properties, large industrial plants, and large commercial complexes, and invited industry experts to provide in-depth interpretations on bankruptcy reorganization and beneficial debt investment business. The conference initiated a financial service cooperation initiative, adhering to the concept of “cooperation and win-win development”, aggregating market forces, leveraging industry roles, and contributing financial strength to support Heilongjiang’s economic development and prevent and resolve risks.

16. Social Responsibility Report



The Fujian Branch successfully held the “Joining Forces in Fujian for a Better Future” Fujian Regional Investment and Service Alliance Launch Ceremony and Asset Promotion Conference in Fuzhou. The conference invited over 130 institutions, including cooperative financial institutions, state-owned enterprises at the provincial and municipal levels, leading regional private enterprises, intermediary agencies, and investors. The promotion conference organizers selected over 100 debt claims covering 9 cities in Fujian Province and some areas outside the province, with a total debt scale exceeding RMB11.5 billion. The collateralized properties are diverse and include land, residential buildings, office buildings, shops, hotels, industrial plants, and bank equities, all of which are quality assets with good investment prospects.

The Guizhou Branch successfully held the CITIC FAMC “Beautiful Landscapes in Guizhou, Turning Stones into Gold” Guizhou Regional Investment and Service Cooperation Alliance Launch Meeting and Asset Promotion Conference. The conference invited several units, including members of the regional coordination sub-committee, peer asset management companies, industry associations, investors, online platform service providers, and intermediary organizations. The Guizhou Branch proposed the establishment of the Guizhou Regional Investment and Service Cooperation Alliance, aiming to use this alliance as an opportunity to maintain resources from all parties, promote industry development, and enhance the investment and service level of special assets, working together with all parties to create a win-win ecosystem for non-performing assets.

16. Social Responsibility Report

16.7.3 Strengthening Innovation Capabilities to Drive Industry Development

In terms of industry research and output of results, our Group continuously deepens industry research, actively builds a high-quality research system, forms 35 research teams, conducts a series of research activities, and produces a series of key industry research results to support the Company's high-quality development. In the organization of research activities, we conducted a series of research activities titled "CITIC FAMC Support: Promoting High-Quality Development Together", and visited enterprises for research 40 times. We held 23 research forums, inviting experts from CITIC Securities, China Securities, CITIC Metal, the Chinese Academy of Sciences, and COFCO Group to provide in-depth explanations of industry trends. In the field of specialized research, the Company has produced 26 industry research reports and 6 business strategy reports focusing on the interpretation of major central meetings, revisions of regulatory policies, group coordination planning and comprehensive financial reform, local debt risk resolution, key industry research, and the Company's business logic, providing important references for the Company to focus on its main responsibilities and strengthen its main business transformation. In the field of regular research, the Company conducts studies on the macroeconomic situation and the non-performing asset market, producing three series of research reports that are shared internally to further promote knowledge dissemination and application. In the area of industry achievements evaluation and communication, we actively organized participation in the China Banking Association's "2024 Excellent Research Achievements in China's Banking Development" competition, with six units submitting seven research reports for evaluation. The Company was invited to serve as a review expert, and deeply participated in the evaluation work, showcasing the Company's strength in the field of industry research and enhancing communication and learning with peers. We organized participation in the 2024 key issues work of the CITIC Think Tank, with three units submitting five issues for evaluation.

In terms of cultivating research management talent, in 2024, the Company's postdoctoral scientific research workstation was renamed the CITIC FAMC Postdoctoral Scientific Research Workstation. The Company continues to improve the postdoctoral scientific research workstation's training system with a new image, promoting technological innovation, management innovation, and institutional innovation, contributing to the reform and development of the industry. We revised the *CITIC FAMC Postdoctoral Management Work Regulations* to further standardize management processes. We carried out the recruitment of the 19th batch of postdoctoral researchers, successfully recruited three postdoctoral researchers, and signed joint training agreements with the Chinese Academy of Social Sciences, Peking University, and Renmin University of China. The Company assisted the 18th batch of postdoctoral personnel in completing their exit procedures. Based on recommendations from the workstation and mutual selection, the postdoctoral personnel were employed by our branches, serving the Company's high-quality development.

16.7.4 Protecting Intellectual Property Rights and Preventing Infringement

Our Group emphasizes the maintenance and protection of intellectual property rights, complies with relevant laws and regulations, standardizes intellectual property management, prevents infringement on intellectual property rights, and protects our own research and innovation achievements. By the end of 2024, the Company has obtained a total of 6 technology patents and 42 software copyrights.

16. Social Responsibility Report

Our regulations stipulate that the purchase of software and hardware must be conducted in accordance with the requirements for the legitimate management of software and hardware, ensuring consistency between actual purchases and usage. The Company established a terminal monitoring management system and a legitimate software download mall to provide users with channels for legitimate software downloads and conducted comprehensive monitoring of software installed on user terminals to promptly detect any violations of software installation, ensuring the legality and security of software usage. We established a reporting mechanism for non-legitimate software and software with vulnerabilities. We conducted self-inspections for software legitimacy at the Company headquarters and all branch offices. Software legitimacy-related content was incorporated into the training and promotion scope of information technology work to further enhance employees' awareness of intellectual property protection.

We respected the research achievements of employees and postdoctoral researchers and stipulated in the *CITIC FAMC Postdoctoral Management Work Regulations* that the rights and interests of relevant personnel's research achievements shall be fairly and reasonably determined in accordance with national intellectual property laws and relevant regulations.

16.8 Community Responsibility

16.8.1 Adhering to Dual Support of Wisdom and Resources to Promote Rural Revitalization

Our Group actively undertakes the responsibilities and missions of state-owned financial enterprises, responds positively to the national rural revitalization strategy, earnestly assumes the responsibility of assistance, focuses on the key points of financial asset management companies in supporting rural revitalization, continuously innovates assistance models, and expands the breadth and depth of targeted assistance. We implement Party building assistance, industrial assistance, educational assistance, livelihood assistance, and consumption assistance to support rural development, improve the living standards of rural residents, and solidly promote comprehensive rural revitalization.

16.8.1.1 Party Building Assistance

The Group integrates the guiding principles of the 20th National Congress of the Communist Party of China with its assistance initiatives, actively engaging with poverty alleviation villages to foster joint development of grassroots Party organizations. By strengthening grassroots Party building, we promote synergy between Party development and assistance efforts, creating a virtuous cycle where Party building is advanced through assistance, and assistance is enhanced through Party building. As of the end of 2024, 44 units across the system had established partnerships with 50 village Party branches. Leveraging the strengths of central enterprise Party building and platform advantages, each unit strives to transform Party-building strengths into advantages for assistance, channeling organizational vitality into rural revitalization. Party members and cadres take the lead in donating funds and materials, organizing support activities, and contributing to rural cultural development, thereby achieving mutual reinforcement and simultaneous enhancement of Party building and assistance efforts.

16. Social Responsibility Report



Case: Strengthening the Leading Role of Party Building to Gather Support Forces

Xinjiang Branch: The Branch considers strengthening grassroots Party organizations as the strategic focal point of its village-based initiatives. By “building platforms, reinforcing organizations, and empowering Party members,” it aims to enhance the resilience and effectiveness of grassroots Party organizations. To this end, it has established a temporary Party branch for village-based work to oversee and coordinate all related efforts by the Branch. Additionally, it has formed a joint Party branch that brings together the village-based work team, the two village committees, the temple management committee, the village police office, and the militia service team. The leader of the village-based work team also serves as the first secretary of this joint Party branch, ensuring the effective integration of resources and the comprehensive guidance and coordination of village affairs. Leveraging the joint Party branch as a platform, it rigorously implements organizational life systems, strengthens the exemplary role of Party members, enhances their capacity to drive economic prosperity, and elevates their influence, appeal, and organizational effectiveness within the community.

Industrial Company: It researched the development of grassroots Party organizations in villages, focusing on the theme of “building livable, business-friendly, and beautiful rural areas” as highlighted in the Report of the 20th National Congress of the Communist Party of China. Together with the Party Secretary of Tiansheng Town, the Party Secretary of Xinya Village, five village Party committee officials, and 20 villagers, it studied the 2024 Central No. 1 Document, specifically the *Opinions of the CPC Central Committee and the State Council on Learning from and Applying the Experience of the “Thousand-Village Demonstration, Ten-Thousand-Village Renovation Project” to Effectively Promote Comprehensive Rural Revitalization*. Additionally, discussions and exchanges were held on topics such as rural industrial development and the integrated Party-building partnership model.

Rongtong Technology: It carried out Party-building activities and studied the spirit of General Secretary Xi Jinping’s important speech on rural revitalization and the reform arrangements of the Third Plenary Session of the 20th CPC Central Committee on rural revitalization with the Party Branch of Fenghuang Village, Nanping Town, Xuanhan County. The two sides conducted in-depth exchanges on wasteland management projects, promoting the transformation of theory into practice, practice into results, and results into benefits.

16. Social Responsibility Report

16.8.1.2 Industrial Assistance

Developing industries is the fundamental strategy for consolidating poverty alleviation achievements and promoting rural revitalization and development. Our Group focuses on addressing the shortcomings in industrial development, improving the mechanism for linking farmers with industry, and using market-oriented methods to transform “blood transfusion” into “blood production”. We actively leverage financial advantages to fully create demonstration points for rural revitalization.

We continue to intensify our support for Renyi Village in Fengcheng Town, where we accredited a first secretary, leveraging a comprehensive approach that integrates industry, finance, and Party building. Adhering to the development model featuring high-altitude mountainous regions, high-end fruit cultivation, and high value-added agriculture, we have successfully cultivated six premium varieties and established the distinctive “Baguolaoche” brand. Building on the established largest cherry plantation demonstration base in eastern Sichuan, we are now exploring large-scale cultivation of rice and traditional Chinese medicinal herbs to drive sustained growth of the village’s collective economy.

Additionally, we support the construction of a 280-square-meter agricultural machinery storage facility in Longquan Village, Fengcheng Town, Xuanhan County, equipping it with six sets of agricultural machinery, including dryer, agricultural drone, mini tiller, rice transplanting machine, and harvester. This initiative addresses local production challenges such as the lack of storage for machinery, difficulties in grain drying, and labor shortages for farming. It further promotes adjustments to the local agricultural structure, particularly in rice, corn, and soybean cultivation, enhancing land transfer efficiency, contract farming operations, and the overall scale, intensification, and mechanization of agricultural production.

The Jiangxi Branch supports and guides poverty alleviation households to develop industries by adopting a business model of “professional cooperatives + bases + farmers”. It encourages and guides farmers to develop industries and family economies through land transfer and capital investment. The implementation of microloan policies ensures that poverty alleviation households lacking funds for developing family industries can access loans. A total of 17 households have received microloans amounting to RMB850,000. Direct economic subsidies are provided to 85 poverty alleviation households developing family farming and breeding industries, with a total of RMB113,770 in direct subsidy funds distributed.

16. Social Responsibility Report

The Chongqing Branch successfully attracted a food company from Guizhou to invest RMB100,000 in the development of the chili industry in Nanping Town, Xuanhan County, supporting local industrial development and helping residents increase their income through employment.



CITIC FAMC Carried Out Industrial Assistance

16. Social Responsibility Report

16.8.1.3 Educational Assistance

Educational assistance is a key focus of the Company's support work, which revolves around the three elements of "schools, teachers, and students". To support schools, we donated 64 laptops to 11 schools in Xuanhan County and donated RMB2 million in collaboration with CITIC brother units to support the infrastructure construction project of Fengcheng Middle School in Xuanhan County. In terms of teacher training, we have carried out the CITIC FAMC Most Beautiful Rural Teacher Assistance Project for the 9th consecutive year, entrusting the Xuanhan County Education Bureau to select 100 outstanding primary and secondary school teachers working in rural areas each year, rewarding each with RMB5,000 to encourage them to stay committed to frontline teaching. Regarding student support, we reward 100 rural students from economically disadvantaged families who are excellent in both character and academics. For the 10th consecutive year, we organized a "one-on-one" love assistance program among our employees, providing support to 347 primary school students in Xuanhan in 2024.



16. Social Responsibility Report

16.8.1.4 Livelihood Assistance

The Group is committed to enhancing livelihood support, effectively utilizing introduced aid funds to improve rural living environments and upgrade living facilities, thereby strengthening the “safety net” of rural medical security and fostering harmonious and beautiful villages. Projects for centralized sewage treatment and drinking water systems in Renyi Village have been implemented, benefiting 239 households and a total of 1,055 residents, significantly improving their production and living conditions. Solar street light installations have been carried out in villages such as Yashi Village, Renyi Village, and Banqiaohe Village in Fengcheng Town, covering over 6,000 villagers, facilitating travel and beautifying the environment. Addressing the challenges of poverty and returning to poverty caused by illness in mountainous areas, an innovative “equipment + insurance + surgery + training” four-in-one health support “safety net” has been put in place. In response to the shortcomings in rural public healthcare highlighted by the pandemic, medical equipment and 10 ambulances were promptly provided to 26 township health centers in Xuanhan. Over 500 cataract patients have received free surgical treatment, and more than 720 rural doctors have undergone skills training, benefiting over 400,000 residents across 37 townships. These efforts have helped elevate the medical standards in the Daba Mountains region, safeguarding the health of the local population.

16.8.1.5 Consumption Assistance

Our Group regards consumption assistance as an innovative and growth point for targeted support. Actively addressing the issue of unsold agricultural products through various means such as purchasing directly and facilitating sales, the Group has listed products from Xuanhan County on multiple retail platforms under the CITIC Group. This initiative further expands the direct procurement channels for Xuanhan County’s products within the Company and the labor union systems of CITIC Group’s member units. Capitalizing on key holiday periods, the Group organized the “Concentrated Action for Consumption Assistance to Raise Farmers’ Income” and the “Golden Autumn Action for Consumption Assistance”. These efforts were promoted through the Company’s internal network columns, advocacy letters, and emails, resulting in consumption assistance amounting to RMB3.9603 million in 2024.

16.8.2 Engaging in Public Welfare and Enhancing Social Welfare

Our Group views giving back to society and promoting community prosperity and progress as an important social responsibility. We actively engage in public welfare through organizing volunteer activities and participating in charitable projects and contribute to various fields such as environmental protection, education, and elder care, demonstrating the Company’s commitment to social responsibility.

- Our institutions in Beijing actively participated in the tree-planting activity organized by CITIC Group, donating a total of RMB35,000 in 2024 and planting 1,754 trees.

16. Social Responsibility Report

- The Financial Leasing launched a public welfare sale called “Aixinrong”, raising over RMB20,000 to support low-income households and families in difficulty in Renyi Village, Xuanhan County. It donated 257 pairs of winter shoes for children to Chabu Town in Xietongmen County, Shigatse City, Xizang, bringing warmth to children in the Xizang region.
- The Henan Branch carried out a Learn from Lei Feng activity themed “New Journey of Volunteering, New Era of Building Achievements” – Learning from Lei Feng Activity in collaboration with the Boxue Road Office, distributing promotional brochures on the *Regulations on Promoting Civilized Behavior in Henan Province*, maintaining traffic order, stopping illegal parking, and cleaning up garbage in dead corners and green belts.
- Youth volunteers from the Zhejiang Branch visited merchants and farmers in Hengshan Village, Wuyi County, and carried out a financial knowledge promotion activity called “Taking on New Missions, Promoting Consumer Protection in Counties”, facilitating financial education to reach primary communities.
- The Guangdong Branch organized youth volunteers to conduct anti-fraud and anti-money laundering promotional activities at the Xuanhan Maoba Town Central School. It educates children on financial literacy, fraud prevention, and anti-money laundering through simple and easy-to-understand language, real-life examples, and engaging, interactive explanations.
- To meet the needs of villagers in Junba Village, the Liaoning Branch conducted online training on anti-telecom fraud, covering new types of telecom network fraud, scams using digital RMB, and risk points and precautions to be aware of. By citing multiple real-life cases, they helped villagers enhance their awareness of fraud prevention and strengthen their legal consciousness, contributing to the protection of villagers’ property.
- On the eve of the Double Ninth Festival, the Qinghai Branch carried out community elder care activities, donating living supplies to lonely elderly people and Party members living in difficulty, while also promoting anti-fraud awareness among high-risk groups for the fifth consecutive year in collaboration with the Nantan Agricultural Development Community.
- The Youth League Committee of the Shanghai Free Trade Zone Branch actively organized young members to provide legal publicity and consultation services for the elderly at the Suhezhimou Party and Mass Service Center in East Nanjing Road Subdistrict.

16. Social Responsibility Report

16.9 Appendix

16.9.1 Independent Assurance Report on Social Responsibility Report



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Independent assurance report

安永华明 (2025) 专字第 70015868_A01 号
China CITIC Financial Asset Management Co., Ltd.

To the Board of Directors of China CITIC Financial Asset Management Co., Ltd.

Scope

We have been engaged by China CITIC Financial Asset Management Co., Ltd. (the "CITIC Financial AMC") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the selected data as at 31 December 2024 and for the year then ended in the 2024 Corporate Social Responsibility Report (the "Social Responsibility Report").

Selected data

The selected data in the Social Responsibility Report for 2024 that is covered by this report is as follows:

- Total number of employees (persons)
- Natural gas consumption (cubic meters)
- Gasoline consumption (litres)
- Electricity consumption (kWh)
- Water consumption (tons)
- Office paper consumption (tons)

Our assurance was with respect to the selected data as at 31 December 2024 and for the year then ended only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2024 Social Responsibility Report.

Criteria applied by CITIC Financial AMC

The criteria used by CITIC Financial AMC to prepare the selected data in the 2024 Social Responsibility Report are set out in the basis of reporting of the selected data (the "Basis of Reporting") after the assurance report in the accompanying the *Appendix: Basis of Reporting*.

CITIC Financial AMC 's responsibilities

CITIC Financial AMC 's management is responsible for selecting the basis of reporting, and for presenting the selected data in accordance with the basis of reporting within the 2024 Social Responsibility Report, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the selected data, such that it is free from material misstatement, whether due to fraud or error.



16. Social Responsibility Report



Independent assurance report (continued)

安永华明 (2025) 专字第 70015868_A01 号
China CITIC Financial Asset Management Co., Ltd.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the selected data as at 31 December 2024 and for the year then ended in the 2024 Social Responsibility Report based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"). The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the selected data in the Social Responsibility Report in order for it to be in accordance with the basis of reporting, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we 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.

Description of Procedures performed

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.



16. Social Responsibility Report



Independent assurance report (continued)

安永华明 (2025) 专字第 70015868_A01 号
China CITIC Financial Asset Management Co., Ltd.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected data in the Social Responsibility Report and related information, and applying analytical and other appropriate procedures.

Our work was performed at the Head Office of CITIC Financial AMC and its subsidiary CITIC Financial AMC ZhiYuan Enterprise Management Co., Ltd., which includes:

- 1) Conducted interviews with personnel to understand the business and reporting process;
- 2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selected data during the reporting period;
- 3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Basis of Reporting;
- 4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- 5) Tested, on a sample basis, underlying source information to check the accuracy of the data;
- 6) Other procedures deemed necessary.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected data as at 31 December 2024 and for the year then ended in the 2024 Social Responsibility Report, in order for it to be in accordance with the Basis of Reporting.

Restricted use

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

Ernst & Young Hua Ming LLP

Ernst & Young Hua Ming LLP
15 April 2025
Beijing, China



16. Social Responsibility Report

Appendix: Basis of Reporting

Total number of employees (persons):

The total number of employees disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total number of employees at the head office, branches, and subsidiaries of CITIC Financial Asset as of the end of the reporting period. Employees refer to formal employees who have signed labor contracts with China CITIC Financial Asset Management Co., Ltd. (including head office and branches) and its subsidiaries, and the employees who have signed labor contracts with labor dispatch agencies and outsourcing service companies and are assigned to work for CITIC Financial AMC (including head office and branches) and its subsidiaries.

Natural gas consumption (cubic meters):

The natural gas consumption disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total natural gas consumption of the head office, branches, and the head offices of subsidiaries of CITIC Financial AMC during the reporting period. The natural gas consumption is calculated by compiling monthly meter readings and natural gas purchase invoices.

Gasoline consumption (litres):

The gasoline consumption disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total gasoline consumption of the company's own official vehicles at the head office, branches, and the head offices of subsidiaries of CITIC Financial AMC during the reporting period. The gasoline consumption is calculated by compiling monthly fueling records, fuel receipts, and fueling records of fuel card.

Electricity consumption (kWh):

The electricity consumption disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total electricity consumption of the head office, branches, and the head offices of subsidiaries of CITIC Financial AMC during the reporting period. The electricity consumption is calculated by compiling monthly meter readings, payment receipts, payment invoices, and screenshots from the State Grid APP.

Water consumption (tons):

The water consumption disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total water consumption of the head office, branches, and the head offices of subsidiaries of CITIC Financial AMC during of the reporting period and it is calculated by compiling monthly water meter readings, payment receipts, and invoices.

Office paper consumption (tons):

The office paper consumption disclosed in the Social Responsibility Report of CITIC Financial AMC refers to the total amount of office paper used at the head office, branches, and the head offices of subsidiaries of CITIC Financial AMC during the reporting period. Office paper includes A4 and A3 copy paper, which is calculated by compiling monthly usage records of office supplies and purchase invoices of office supplies.

16. Social Responsibility Report

16.9.2 Index of the HKEX's *Environmental, Social and Governance Reporting Code*

Aspects, General Disclosures and KPIs	Description	Report Location
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	Board Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About the Report

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
Reporting Boundary	A narrative explaining the reporting scope of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Appendix – About the Report
“Comply or Explain” Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	<p>Information on</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <p><i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i></p>	Environmental Responsibility
KPI A1.1	The types of emissions and respective emissions data.	The Company’s operations are mainly concentrated in office spaces, so the impact on the environment is small.
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Responsibility
Aspect A2: Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>	Environmental Responsibility
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 000's) and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company's business only includes services and does not involve packaging materials.

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	Employee Responsibility
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Responsibility
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Responsibility
Aspect B2: Health and Safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	Employee Responsibility
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Responsibility

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
KPI B2.2	Lost days due to work injury.	Employee Responsibility
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Responsibility
Aspect B3: Development and Training		
General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	Employee Responsibility
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Responsibility
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Responsibility
Aspect B4: Labour Standards		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	Employee Responsibility
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Responsibility
KPI B4.2	Description of steps taken to eliminate violations when discovered.	Employee Responsibility
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company does not directly provide physical products.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Industry Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	The Company does not directly provide physical products.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Responsibility

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption and Integrity Building Anti-Money Laundering and Counter-Terrorist Financing
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	None occurred during this reporting period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Integrity Building
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Integrity Building
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, and sport).	Community Responsibility
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Responsibility
D. Climate-related Disclosures		
(I) Governance		Addressing Climate Change
(II) Strategy		
Climate-related risks and opportunities		Addressing Climate Change
Business model and value chain		Innovating Green Finance Practicing Low-Carbon Operations

16. Social Responsibility Report

Aspects, General Disclosures and KPIs	Description	Report Location
	Strategy and decision-making	Addressing Climate Change
	Financial position, financial performance, and cash flows	Capacity Exemption
	Climate resilience	Capacity Exemption
	(III) Risk Management	Addressing Climate Change
	(IV) Metrics and Targets	
	Greenhouse gas emissions	Practicing Low-Carbon Operations
	Climate-related transition risks	Innovating Green Finance Practicing Low-Carbon Operations
	Climate-related physical risks	Innovating Green Finance Practicing Low-Carbon Operations
	Climate-related opportunities	Innovating Green Finance
	Capital deployment	Innovating Green Finance Practicing Low-Carbon Operations
	Internal carbon prices	Capacity Exemption
	Remuneration	Capacity Exemption
	Industry-based metrics	Capacity Exemption
	Climate-related targets	Addressing Climate Change

16. Social Responsibility Report

16.9.3 About the Report

The Report is the ninth social responsibility report prepared by the Company to meet the requirements of the *ESG Code* of the Hong Kong Stock Exchange. It aims to respond to stakeholder expectations and demonstrate the concepts, management, actions, and achievements of CITIC FAMC in terms of environment, society, corporate governance, and sustainable development.

16.9.3.1 Report Preparation Standards

The Report is prepared in accordance with the *ESG Code* of the Hong Kong Stock Exchange, the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the NFRA, and the *Guidelines for Corporate Social Responsibility of Banking Financial Institutions* issued by the China Banking Association. It also extensively references domestic and international social responsibility reporting standards, including the *Guidelines for Writing Corporate Social Responsibility Reports* by the Chinese Academy of Social Sciences.

16.9.3.2 Reporting Scope

Unless otherwise specified, the Report covers the Company headquarters, branch offices, and their affiliated subsidiaries.

16.9.3.3 Data Sources of the Report

The Report's key financial data is extracted from the 2024 Annual Results Announcement of China CITIC Financial Asset Management Co., Ltd., and other data comes from internal corporate sources.

16.9.3.4 Reporting Period

The reporting period is from January 1, 2024, to December 31, 2024. For some content, historical data are appropriately traced.

16. Social Responsibility Report

16.9.3.5 Reporting Principles

Materiality: The Report identifies important social responsibility issues that affect the Company's sustainable development based on industry characteristics, stakeholder expectations, and development plans, and responds accordingly. For details, please refer to section "16.2.10.3 Determination of Material Issues".

Quantitative: The Company has quantitatively disclosed applicable ESG key indicators and provided information on the statistical standards, methods, assumptions, and/or calculation tools used for emissions/energy consumption data, as well as the sources of conversion factors. Please refer to the "16.4 Environmental Responsibility" section.

Consistency: The Report strives to maintain consistency in the indicators used across different reporting periods. If there are changes in key performance indicators, explanations for the changes will be provided.