



中信資源控股有限公司 CITIC Resources Holdings Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 1205



Environmental, Social and Governance (ESG) Report **2023**

Content

2 Definition

3 About us

3 About CITIC Resources

6 About This Report

6 Reporting Period

6 Reporting Organizational Scope

7 Reporting Standards and Principles

7 Access to This Report

7 Response to This Report

8 Board Statement

10 Our Governance

12 Corporate Governance

12 Risk Management and Internal Control

16 Sustainable Development Management

18 Our Communication

20 Communication Channels

22 Materiality Assessment

24 Our Environment

27 Environmental Impact and Management

40 Resource Usage

45 Oil Spill Prevention

48 Climate Change

54 Our Employees

56 Policies and Benefits

60 Training and Development

65 Respect for Rights

68 Our Operations

71 Health and Safety

83 Integrity in Business

86 Supply Chain and Product Quality Management

92 Our Community

94 Community Building

98 Appendix 1

The Material Laws and Regulations that the Group Complied with During the Reporting Period

102 Appendix 2

Key Performance Indicators

108 Appendix 3

SEHK ESG Reporting Guide Index

113 Appendix 4

Reader Feedback Questionnaire

Definition

In this Report, unless otherwise specified, the following terms shall have the following meanings:

“Australia”	refers to	The Commonwealth of Australia
“China”	refers to	The People’s Republic of China
“Hong Kong”	refers to	The Hong Kong Special Administrative Region, the People’s Republic of China
“Indonesia”	refers to	The Republic of Indonesia
“Kazakhstan”	refers to	The Republic of Kazakhstan
“Russia”	refers to	The Russian Federation
“CITIC Resources” or the “Company”	refers to	CITIC Resources Holdings Limited
“CITIC Group”	refers to	CITIC Group Corporation (中國中信集團有限公司)
“CITIC Petroleum” or “Beijing office”	refers to	CITIC Petroleum Technology Development (Beijing) Limited (中信石油技術開發(北京)有限公司)
“CITIC Seram”	refers to	CITIC Seram Energy Limited
“CRA”	refers to	CITIC Resources Australia Pty Ltd
“KBM”	refers to	JSC Karazhanbasmunai
The “Hainan-Yuedong Block”	refers to	The Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province, the People’s Republic of China
The “Karazhanbas Oilfield”	refers to	The Karazhanbas Oil and Gas Field in Mangistau Oblast, the Republic of Kazakhstan
The “Seram Block”	refers to	The Seram Island Non-Bula Block, the Republic of Indonesia
The “Yuedong Oilfield”	refers to	The Yuedong oilfield, the principal field within the Hainan-Yuedong Block in the Bohai Bay Basin in Liaoning Province, the People’s Republic of China
“Tincy Group”	refers to	Tincy Group Energy Resources Limited
“The Group” or “We”	refers to	CITIC Resources Holdings Limited and its subsidiaries and joint ventures within the scope of this Report
“The Board”	refers to	The Board of Directors of CITIC Resources Holdings Limited
“SEHK”	refers to	The Stock Exchange of Hong Kong Limited
“HSE”	refers to	Health, Safety and Environment
“ESG”	refers to	Environmental, Social, and Governance

About us

About CITIC Resources

In 1997, CITIC Resources was incorporated in Bermuda and has been listed on The Stock Exchange of Hong Kong Limited (“SEHK”) since the same year. The Company’s business scope covers different sectors such as crude oil, aluminum smelting, coal, bauxite mining and alumina refining, and import of commodities, and actively shapes CITIC Resources into a leading integrated supply chain enterprise that can provide critical and strategic natural resources. CITIC Group Corporation (“CITIC Group”) is the ultimate holding company of the Company, while CITIC Corporation Limited (a subsidiary of CITIC Group and incorporated in Hong Kong and listed on the Main Board of SEHK) is our intermediate holding company and holds 59.50% of our shares.

CITIC Resources’ business operations or investments are divided into oil and gas and non-oil-and-gas. The oil and gas operation projects include the exploration, development, and operation of oilfields in China and Indonesia respectively by its indirect wholly-owned subsidiaries, CITIC Haiyue and CITIC Seram, and its participation in the development, production, and sales of oil in Kazakhstan in the form of joint venture. Non-oil-and-gas-related investments include the import of commodities through indirect wholly-owned subsidiaries, as well as the aluminum smelting, coal, bauxite mining, and alumina refining businesses.

Subsidiaries

Tincy Group

CITIC Haiyue Energy Limited, an indirect wholly-owned subsidiary of the Company, owns a 90% interest in Tincy Group.

Tincy Group holds the rights to petroleum exploration, development, and production from the Hainan-Yuedong Block (Bohai Bay Basin in Liaoning Province, China). Tincy Group cooperates with China National Petroleum Corporation to operate the Hainan-Yuedong Block, and the principal oilfield is the Yuedong Oilfield.

CITIC Seram

CITIC Seram, an indirect wholly-owned subsidiary of the Company, owns a 41% participating interest in the production sharing contract of the Seram Block located in Seram Island of Maluku Province, Indonesia, and is the operator of the oilfield in the block.

CRA

CRA is a direct wholly-owned office-based subsidiary of the Company and operates the import and export commodities business. Its subsidiaries are engaged in the investment of aluminum smelting, coal, alumina refining, and other mining projects and the import and export of commodities in Australia.

CITIC Petroleum

CITIC Petroleum is an indirect wholly-owned office-based subsidiary of the Company and is engaged in petroleum technology development business in Beijing, China.

Joint Venture

KBM

The Company’s indirect wholly-owned subsidiary, CITIC Oil & Gas Holdings Limited, and JSC KazMunaiGas Exploration Production jointly own, manage, and operate KBM through CITIC Canada Energy Limited. The Group owns 50% of KBM’s issued voting shares (representing 47.31% of KBM’s total issued shares). KBM is engaged in the development, production, and sale of oil.

The Group understands the importance of striking a balance between business development and the management of the Earth's resources and is well aware of its social responsibilities. As a key player in the natural resources industry, we are greatly responsible for reducing our negative impact on the environment in every decision we make in our operations. We adhere to the Group's business operations management principle and implement strict environmental protection measures. We strive to meet the energy demand for society, while promoting the harmonious development and progress of the social economy and the environment. We also actively engage in community and public affairs, and are determined to create more social value and well-being culture.

Corporate Honour and Major Achievements



Awarded the "LISTCO EXCELLENCE AWARDS 2023" co-organized by AM730 and PR ASIA, and supported by the Mainland media Phoenix New Media

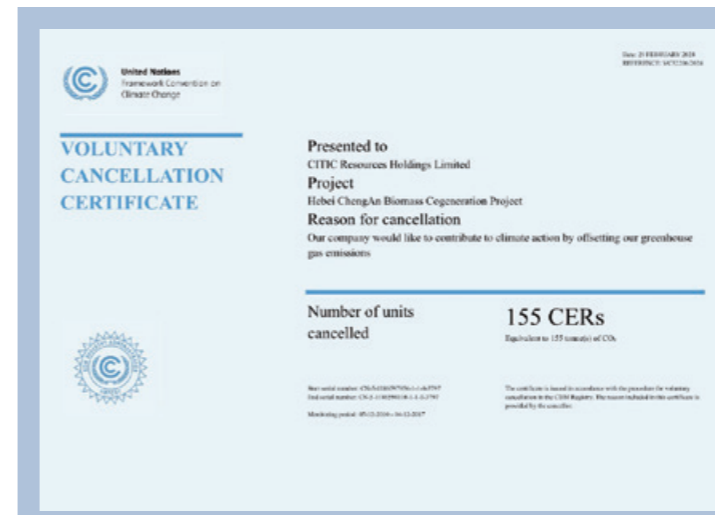


"LISTCO EXCELLENCE AWARDS 2023" is a cross-platform award jointly presented by mainstream media and financial institutions in Mainland China and Hong Kong. The professional team selected a list of eligible listed companies as nominees, which were then evaluated by a panel of judges including fund managers, senior stock commentators, and equity analysts. The award is highly recognized and representative, serving as a valuable reference for investors.

The award ceremony for the year 2023 encourages businesses to continue demonstrating the vibrancy of Hong Kong's financial market, while also urging enterprises to seize national policy opportunities to develop new energy, green industries, and green finance, and to allocate more resources to ESG. CITIC Resources receiving the "LISTCO EXCELLENCE AWARDS 2023" is a significant encouragement and affirmation for us, and it also motivates us to continue advancing sustainable development and creating more value.



Corporate Honour and Major Achievements



The Group reduced all its offices' carbon emissions through purchasing carbon credit from Gold Standard ("Gold Standard") and United Nations Clean Development Mechanism ("UNCDM") projects in China and India. This measure does not only reduce our greenhouse gas emissions but also responds to China's "Dual Carbon" goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060. The Gold Standard carbon offset project we chose is 60MW Wind Power Project in Karnataka, India, and the UNCDM carbon offset project is the Hebei ChengAn Biomass Cogeneration Project (Project No.: 3797). Please refer to the "Climate Change" section for more details.



About This Report

CITIC Resources Holdings Limited and its subsidiaries and joint ventures are pleased to present the 2023 Environmental, Social, and Governance Report (the “**Report**”), which discloses the principle, management approaches, measures, relevant performance, and progress of our sustainability effort to our stakeholders.

The Board of CITIC Resources is fully responsible for the monitoring and reporting of the Company’s ESG-related strategies and has reviewed and approved this Report in March 2024. The information revealed in this Report is mainly derived from the Group’s internal documents, relevant reports, or publicly available materials.

Reporting Period

The content in this Report covers the period from 1 January 2023 to 31 December 2023 (the “**Reporting Period**” or “**2023**” or “**Current Year**”). Unless otherwise stated, the disclosures in this Report focus on ESG-related strategies, internal policies and measures, progress, and related performance of the Group’s major business operations. To ensure the consistency and comparability of the statistical data, some of the contents of this Report include data extends to the date of publication of this Report.

Reporting Organizational Scope

The scope of this Report depends on the Group’s main business operations and its operational control over entities. Therefore, the operations of aluminum smelting, coal, bauxite mining, and alumina refining are not included in the reporting scope. The reporting scope of its environmental and social performance indicators in this Report are consistent with the scope in previous ESG Reports, including:



The Company’s indirect wholly-owned subsidiaries, CITIC Oil & Gas Holdings Limited and JSC KazMunaiGas Exploration Production, jointly owned, managed and operated KBM through CITIC Canada Energy Limited. As the Company or JSC KazMunaiGas Exploration Production is subject to the consent of the other party in making operational decisions, the Company has no operational control over KBM. The environmental and social quantitative key performance indicators disclosed in this Report do not cover the scope of KBM, only the descriptive content of KBM is included.

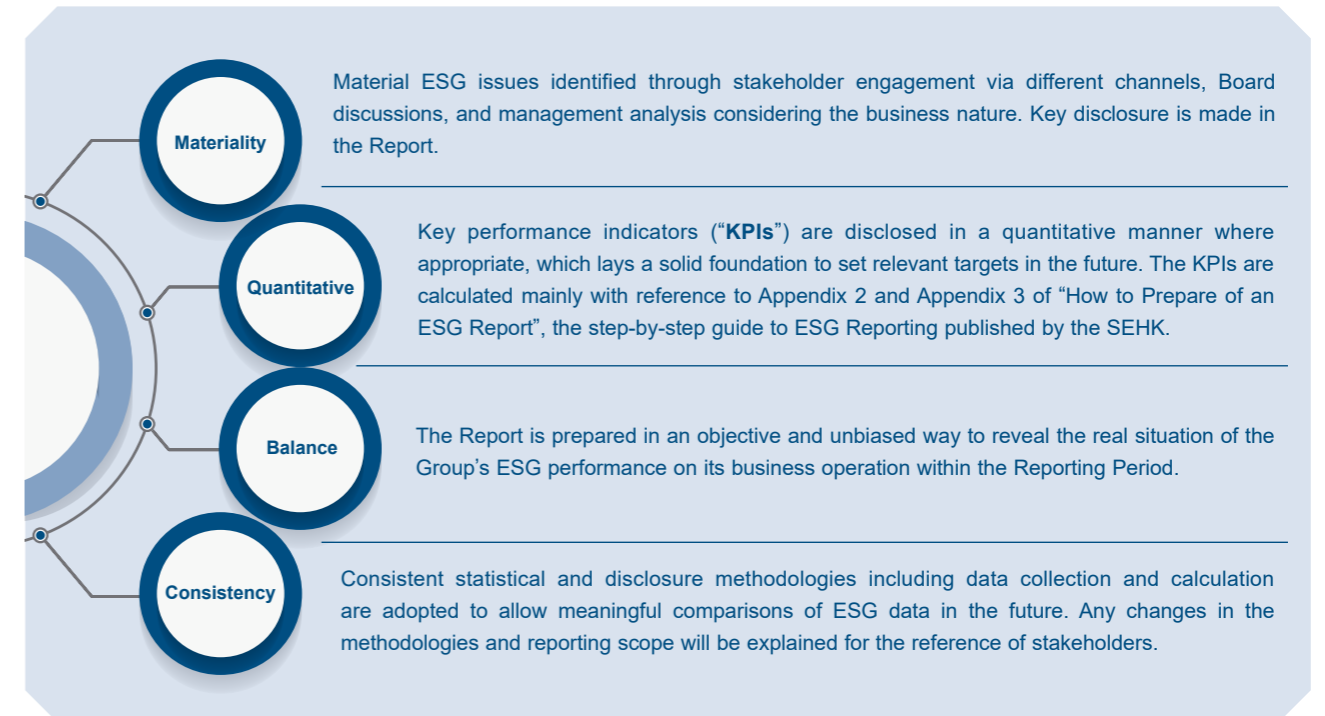
Notes:

1. CITIC Canada Energy Limited is an investment holding company without any employees or offices.
2. CITIC Haiyue Energy Limited is an investment holding company without any employees or offices.

Reporting Standards and Principles

This report was prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the SEHK. The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions stipulated in the ESG Reporting Guide.

The Group strictly adheres to the following reporting principles in the preparation of the Report:



Access to This Report

The Report is available in both Chinese and English. The Report can be accessed on the website of the SEHK and the Group’s official website.

Response to This Report

The Group values the opinions of its stakeholders and understands their views can promote the Group’s sustainable development. We welcome stakeholders to share their thoughts and comments on this Report or the Group’s ESG approach and performance with us through email: ir@citicresources.com. There is also a feedback questionnaire on the last page of this Report, which you are welcome to complete and send to the above email address.

Board Statement

The Board extends its sincere gratitude to all shareholders, customers, suppliers, and business partners for their steadfast support of CITIC Resources over the long term. Additionally, heartfelt thanks are conveyed to the management team and all employees for their dedication and efforts in supporting the Group's sustainable development strategies. In response to the increasing stakeholder interest in CITIC Resources' progress in the field of sustainable development, the Board issues the following statement regarding the Group's ESG performance:

As a responsible energy enterprise, CITIC Resources has spared no effort in advancing the realization of sustainable development goals over the past year. A robust ESG management framework has been established, clearly defining governance responsibilities and accountabilities. The Board assumes full responsibility for the Group's ESG strategy and reporting, ensuring the establishment of effective ESG risk management and internal control systems. The Risk Management Committee of the Board, as the core team for ESG governance, is tasked with updating and enhancing ESG policies, assessing and monitoring related risks, among other responsibilities. This committee convenes at least once per fiscal year to ensure systematic management and effective implementation of ESG governance. Through these measures, the Board deeply integrates ESG principles into the company's development strategy and operational activities, thereby promoting the Group's sustainable development.

To continually strengthen and enhance the governance system and capabilities, the Group is committed to ensuring the long-term stability of CITIC Resources in sustainable development. The Board's Risk Management Committee has established an ESG working group, assuming comprehensive responsibility for identifying and assessing ESG risks, formulating management policies, plans, and goals, and effectively advancing ESG initiatives. In line with the "CITIC Resources Holdings Limited ESG Management Measures"¹, the Group designates ESG governance (including the formulation, implementation, and evaluation of ESG plans and goals relevant to the Group's business, monitoring of ESG-related risks, and internal audit of ESG matters) and reporting (including coordinated collection of ESG data and information, and the preparation and public disclosure of ESG reports) as routine tasks for the ESG working Group, regulating and managing them accordingly. Through these measures, the Group aims to more efficiently drive sustainable development, elevate ESG governance levels, and create greater value across various societal and environmental dimensions.

In the year of 2023, CITIC Resources further strengthened and improved its ESG management framework. An independent third-party ESG advisory team was engaged for a significance assessment, comprehensively reviewing the company's key points in sustainable development and stakeholder feedback, while aligning with industry trends. Referring to the results of the materiality assessment questionnaire and based on actual operational management, the Group identified and confirmed 18 key material issues, prioritizing responses to higher-ranking issues.

As a company involved in oil and gas exploration, CITIC Resources recognizes the significant stakeholder concern regarding **Oil Spill Prevention**.² To address this, continuous efforts are made to update policies related to crude oil extraction, refining, and transportation at operational sites, ensuring compliance and preventing environmental pollution and safety issues associated with crude oil spill incidents.

We pay attention to environmental issues such as climate change and were invited to attend the ESG for Climate Actions International Conference 2023 organized by the World Green Organization and the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). To accelerate the transition in societal energy structures, the Group adjusted **Energy Use** policies during operations, actively considering new and clean energy sources. Carbon offsetting measures are implemented for greenhouse gas emissions generated during operations to ensure effective **Air Pollution and Greenhouse Gases Emission Management**, actively reducing the environmental impact of our products and services and fulfilling our producer responsibilities.

The Group places importance on employment relations, viewing employees as its most valuable resource and upholding the concept of "nurturing talent for enterprise success." Efforts are dedicated to improving working conditions for employees, ensuring their ability to engage in discussions with management regarding salary and working environment, and guaranteeing the **Protection of Employees' Rights**. In addition to incorporating employee feedback, the group and its subsidiaries continually enhance safety operations and emergency response capabilities, aiming to ensure **Occupational Health and Safety** during production and operations and striving to eliminate all work-related injuries. To establish a positive work environment, the Group emphasizes employee training and **Diversity and Equal Opportunities**, allowing employees to access training opportunities and gain professional knowledge related to their positions for career planning. The Group adheres to a non-discriminatory policy during the recruitment process, prohibiting any form of discrimination based on gender, race, age, culture, and educational background in the workplace.

In routine operations, the Group conducts inspection and analysis of produced oil to ensure **Products and Services Quality**, fulfilling commitments to customers. Simultaneously, the Group and its subsidiaries strictly adhere to all relevant laws and regulations, periodically reviewing potential operational risks, including **Business Ethics and Anti-corruption**. **Supply Chain Management** is implemented, identifying environmental, social, and corporate governance risks within the supply chain, ensuring **Risk Management and Compliance Operation**. Additionally, the Group is dedicated to **Scientific Research and Technological Innovation**, establishing close collaborations with academic institutions at operational sites to continuously enhance technical aspects of oil and gas extraction.

In the face of multiple challenges and changing trends related to energy transition and green development in the current development landscape, CITIC Resources will place even greater emphasis on environmental protection, actively addressing challenges and opportunities related to energy transition and emission reduction. The Group will shoulder the environmental and social responsibilities, advancing together with employees. The Group will orient itself towards high-quality development, adhering to scientifically set ESG goals, boldly climbing the peaks of sustainable development, and not disappointing the high expectations of stakeholders.

Board of CITIC Resources

25 March 2024

Notes:

1. Relevant internal policies are referenced in quotation marks in the English version of this report.
2. Bolded content represents parts of material issues identified with high priority during the Reporting Period.



Our Governance

The material issue – “Risk management and compliance management” is particularly responded to in this section of this Report.

CITIC Resources believes that robust corporate governance is instrumental in enhancing efficiency and ensuring compliant operations, playing a crucial role in the sustainable development of a company. To this end, the Group actively pursues a level of corporate governance beyond compliance, strictly adhering to the laws, regulations, and relevant norms of the jurisdictions in which it operates. The Group establishes comprehensive internal management policies and business codes to ensure the legality and compliance of its operational activities.

The Group proactively adopts policy standards and system monitoring measures, implementing, at both the group and subsidiary levels, a thorough commitment to legal compliance. This ensures the integrity of business operations and effective management of risks and opportunities. Furthermore, through the implementation of diversified and multi-tiered corporate governance, the Group continuously strengthens its core business, thereby enhancing its core competitiveness and striving to achieve sustainable development goals.

For more information on the Group's corporate governance, please refer to the Company's *Corporate Governance Report* in the *2023 Annual Report* for compliance on the Group's governance practices.

GRAND ACE 10

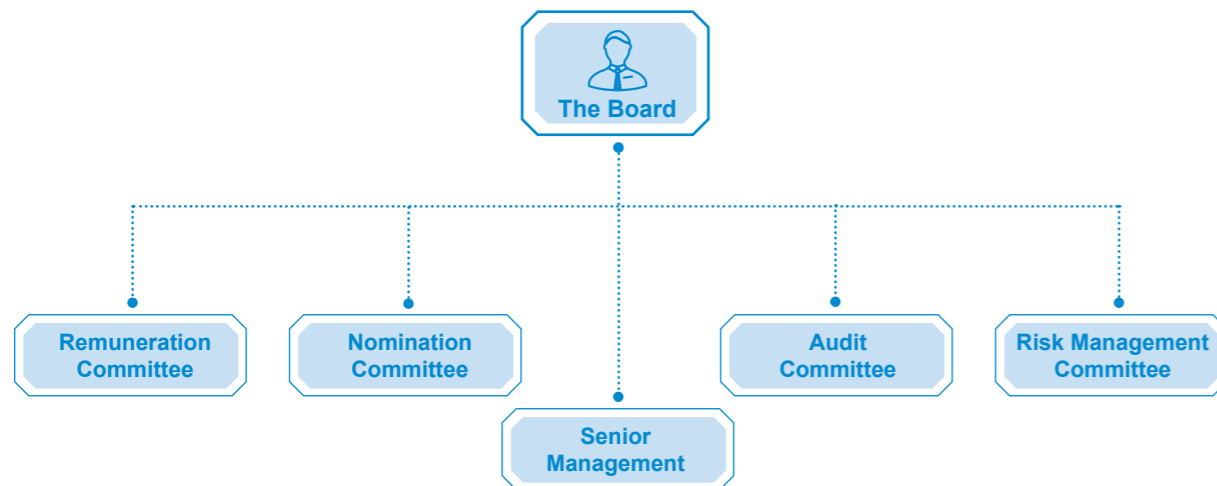
PANAMA

IMO 9443877

Corporate Governance

CITIC Resources strictly adheres to the listing rules and requirements of the Rules Governing the Listing of Securities on the SEHK and other relevant securities regulatory norms and requirements, and actively pursues corporate governance standards above and beyond the compliance. The Group not only implements the existing management policies, but also continuously reinforces its governance framework, comprising the Board, the Remuneration Committee, the Nomination Committee, the Audit Committee, the Risk Management Committee, and the senior management, along with their related policies.

The measure aims to enhance the quality of the Group's governance and standardized operation management, ensure that all decisions are made in accordance with the principles of trust and fairness, and are disclosed in an open and transparent manner to safeguard the interests of all shareholders.



- Comprised of 6 members, 2 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors
- The resumes of all Directors and the specific terms of reference and detailed responsibilities of each committee are set out in detail in the Company's *2023 Annual Report* and on the Company's website
- All Directors have participated in appropriate continuous professional development training, which covers ESG, laws, rules and regulations, and the duties and responsibilities of Directors.

Risk Management and Internal Control

The Board has overall responsibility for maintaining the Group's risk management and internal control systems and is committed to conducting regular reviews annually to ensure the effective operation of the systems.

Risk Management

The Group has established a comprehensive risk management and internal control system covering all business units to supervise, assess and manage various risks in the Group's business activities. The Risk Management Committee has reviewed the Group's risk management policies and regulations to ensure their quality, completeness and effectiveness, and has approved revisions to the relevant policies as mandated by the Board.

The Group's risk management and internal control system identifies, assesses and manages significant risks through regular risk assessments, including compliance assessments and self-assessments of risk management and internal controls. The purpose of this system is to facilitate the effectiveness and efficiency of operations, to protect assets from unauthorized use or disposal, to ensure the appropriateness of accounting records and the truth and fairness of financial statements, and compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute assurance against material misstatement or losses and to manage, rather than eliminate, the risks of failure to achieve business objectives.

The Company has taken the appropriate measures to identify inside information and maintain its confidentiality until proper dissemination via electronic publication system operated by SEHK. In order to ensure that the market and shareholders are fully and timely aware of material developments in the Company's business, the Board has adopted an "Inside Information Disclosure Policy" to standardize the information disclosure process. Employees who become aware of any inside information must report it immediately to their supervising manager so that it can be promptly submitted to the Chief executive officer and company secretary of the Company for assessment and to determine as to whether, in the absence of any available safe harbor, an announcement shall be made by the Company. Any release of inside information is subject to the approval of the Board. Unless duly authorized, all employees of the Company shall not communicate inside information to any external parties and shall not respond to market speculation and rumours.

There are five tiers of risk management and internal control systems:

- The Board**
 - Responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives
- The Risk Management Committee**
 - Responsible for reviewing the Group's risk management
- The Management**
 - Responsible for the day-to-day risk management in all departments and subsidiaries of the Company
- The Risk and Compliance Department**
 - Responsible for supervising, monitoring and centralising the Group's risk management
- The members of the Group**
 - Responsible for performing the daily risk management tasks

During the Reporting Period, the risk and compliance department conducted risk identification through a variety of methods, including questionnaires, focus group discussions, and scenario analysis. Risks are classified as normal risks, significant risks and critical risks, and are managed in accordance with the Group's risk management system. In addition, the department controls the risks of subsidiaries through monthly risk management reports and regular risk assessments, while monitoring major projects and business operations. The risk and compliance department summarizes the results of the review, including but not limited to strategic and investment risks, health, safety and environmental risks, asset impairment risks, market risks, liquidity risks and litigation risks, etc. It reports the results and precautionary measure to the Risk Management Committee and the Board, and conducts annual follow-up.

The Board has received confirmation from management regarding the effectiveness of the risk management and internal control systems. The Group considered the risk management and internal control systems have been effective, adequate and appropriate.

In addition, the Group has purchased the Directors and officers liability insurance for Directors and senior management to cover potential third party legal liabilities that they may face as a result of the performance of their duties.

Internal Audits

The Group's Internal Audit Department analyses and independently assesses the adequacy and effectiveness of the Group's risk management and internal control systems, and systematically conducts continuous independent internal audits of all business units and functions. In accordance with the Company's internal audit charter, the Internal Audit Department preserve the right to review all aspects of the Group's business without restriction when necessary and has direct communication with management at any level, including the chairman of the Company and the Audit Committee.

The Internal Audit Department regularly and independently reviews the effectiveness of the Group's risk management and internal control systems. The Audit Committee reviews the findings and opinions of the Internal Audit Department on the effectiveness of the system, and reports to the Board if any significant issues are found.

During the Reporting Period, the Internal Audit Department formulated an annual internal audit plan based on the risk-based principle. In accordance with the endorsed plan, a detailed review plan is developed for each audit for the implementation of on-site audit work is carried out, and discussions are held with the management of the Company and its subsidiaries. Special audits will be conducted at the request of the Board and senior management. Upon completion of the audit, the department will prepare an internal audit report with identified control deficiencies to the company's management and subsidiaries and recommend immediate rectification. Management has followed up on the issues raised in the internal audit department's report in real time and taken appropriate corrective and remedial actions. The internal audit report (including audit findings and follow-up results) was also summarized and communicated to the Audit Committee during the Reporting Period.

ESG risks

CITIC Resources identifies and assesses ESG risks with reference to global sustainability trends and risks concerned by peers, and has integrated climate-related risks into its ESG risk database. The potential impacts of climate change have been incorporated into the daily operational considerations, reflecting the commitment to address and manage these risks in the normal course of business operations.

During the Reporting Period, in view of the increasing attention of ESG and climate-related risks among different categories of stakeholders, CITIC Resources engaged an independent consultant to conduct ESG and climate risk assessments, with reference to international risk research reports and other material factors, including but not limited to

- Global megatrends in sustainable development;
- Significant risks concerned by peer companies;
- WEF Global Risk Report 2023;
- Allianz Risk Orientation in 2023;
- Sustainability Accounting Standards Board (SASB); and
- Industrial materiality issues and metrics published by MSCI¹,

to assist in identifying the risks associated with the Group and rating their potential impact and likelihood, and finally submit a research report for reference and review of the Board.

Notes:

1. MSCI, formerly known as "Morgan Stanley Capital International," is a U.S.-based provider of equity funds, income funds, hedge funds, stock price indices, and shareholder equity investment portfolio analysis tools. MSCI ESG Research has many years of experience in measuring and modeling ESG (Environmental, Social, and Governance) performance.

Through the assessment process of the year, the Group identified the management risk of ESG-related matters as the material ESG risk for the year and will formulate a more proactive ESG management strategy based on this result in the future to properly manage the relevant ESG risks. The Group will also continue to monitor other ESG risks to ensure that they are manageable.

Aspect	Governance Risk
Material ESG risks	Management risk of ESG-related matters
Risk trend analysis and potential impact	<p>Regulatory bodies worldwide are increasingly stringent in their requirements for companies to disclose environmental, social, and governance (ESG) matters. The relevant disclosure requirements and regulations are continually updated. Ineffectively managing, supervising, and addressing environmental, social, and governance issues of the company can expose it to various risks.</p> <p>Firstly, inadequate information disclosure may lead to significant damage to reputation, negatively impacting the trust and goodwill of the Company. Secondly, a lack of proper management in areas such as workplace safety can result in direct financial losses, such as equipment damage, personnel injuries, and even environmental pollution. Additionally, it may lead to indirect losses in property, including regulatory penalties, personal injury compensation, and other related losses.</p> <p>Specifically, the SEHK has issued new disclosure requirements for environmental, social, and governance reporting, requiring listed companies to disclose climate-related information and Scope 3 greenhouse gas ("GHG") emissions by 2025. As a result, monitoring and managing ESG matters significantly impact the company.</p> <p>In addition, according to research reports and results released by various professional institutions, decarbonization is becoming a growing concern for shareholders, employees, and the public. While oil and gas are still necessities of the economy and energy markets, companies must consider the implications of the global energy transition. Companies should demonstrate positive intentions and actions when setting and achieving ESG goals. The company's operating license may be revoked due to reputational risk.</p> <p>While ensuring a stable and abundant energy supply, it is imperative to make concerted efforts to achieve a reduction in carbon emissions within the energy system, aligning with the prevailing trend of sustainable development.</p>
Risk response	<ul style="list-style-type: none"> • Assess material environmental, social and governance risks, identify weaknesses and areas that need to be focused. This can be addressed through measures such as increased investments and enhanced management. • Strengthen effective governance and oversight of environmental, social, and governance matters and disclose relevant material matters as required. • Conduct regular environmental audits and assessments to identify and correct identified problems; • Establish an employee training system to enhance awareness of ESG issues and improve their professional skills; and • Implement an environmental management system to systematically address environmental concerns, thereby enhancing the company's green image and long-term competitiveness.

Sustainable Development Management

CITIC Resources fully recognizes the importance of corporate sustainability to ensure the continuity of business operations, while promoting the harmonious coexistence of humans and nature. Therefore, the Group actively promotes economic and social development and adopts the highest ESG standards in its operations. At the same time, the Board of the Group has also engaged in ESG-related professional training to understand the background and the latest developments of ESG. The Group has established an ESG management framework in line with the principles of sustainability to ensure that the Group is on the pathway towards sustainable development. The ESG management structure is shown in the following diagram:



CITIC Resources has launched the “ESG Management Regulation of CITIC Resources Holdings Ltd” (the “**ESG Management Regulation**”), which aims to further strengthen the Group’s ESG supervision mechanism and improve the quality of ESG reporting and information management, and effectively control the risks associated with the Group’s sustainable development. These management measures clearly define the governance responsibilities at various levels within the management framework and outline specific processes for ESG reporting and data collection.

At the highest governance level, the Board of CITIC Resources has full responsibility for the Group’s ESG strategies and reporting. The Board is responsible for assessing and identifying ESG risks related to the Group and is required to ensure that the Group has established appropriate and effective ESG risk management and internal control systems. The Risk Management Committee of the Board plays an important role in ESG governance (which includes formulating, implementing and evaluating ESG plans and targets, monitoring ESG-related risks, and conducting internal audits on ESG matters). The main responsibilities of the Risk Management Committee of the Board include:

- Identify ESG-related matters that may have a significant impact on the Group’s operations or the interests of other key personnel;
- Revise policies relating to production safety, environmental protection, social responsibility management, and corporate governance as appropriate;
- Oversee the Group’s performance in areas such as health, safety, environmental protection, and community responsibility (including organisational structure, incentive mechanism, employee training and corporate governance, etc);
- Review the annual ESG report and making recommendations to the Board for approval;
- Bear responsibility for health, safety, environment, social responsibility corporate governance, and other authorized by the Board; and
- Comply with any rules, guidelines, and regulations established by the Board from time to time, as well as the requirements set out in the Group’s constitutional documents or laws and regulations.

The ESG Working Group is responsible for the executive functions of ESG governance of the Group, and its primary responsibilities include identifying and proposing the key ESG risks faced by the Group, formulating ESG management policies, plans and targets, coordinating internal and external ESG work, and coordinating the reporting and implementation of ESG matters by subsidiaries. At the management level, the ESG working group is divided into two levels: the leading group and the executive group.

The leading group plays a key role in the ESG governance structure, headed by the Chief Executive Officer, who bearing the primary responsibility for the Company’s ESG governance. The Vice President serves as the deputy team leader and leads the overall implementation of the ESG governance strategy. The Chief Financial Officer, the Chief Legal Officer, Company Secretary and the representative of each of the subsidiaries work together to ensure the effective implementation of ESG policies and to ensure that CITIC Resources complies with the relevant compliance standards of the SEHK in terms of ESG governance.

The execution group is led by the Head of the Investor Relations Department and is responsible for the operation and implementation. The Head of the Risk Management Department, the Head of the Personnel Administration Department, and the head of the ESG work of each subsidiary are members of the team, and their main responsibilities are as follows:

- 1 Formulate and continuously optimize the *ESG Management Regulation*, and update them in a timely manner in accordance with the Listing Rules of the SEHK;
- 2 Prepare the Group’s ESG work plan and targets, and regularly review and promote the progress of ESG-related targets;
- 3 Identify, screen, and recommend ESG material issues;
- 4 Coordinate and supervise the reporting and execution of ESG matters of subsidiaries; and
- 5 Perform other tasks assigned by the Risk Management Committee of the Board or ESG leading group.

As the executive entity of ESG governance, subsidiaries bear responsibilities related to ESG governance and reporting. The specific responsibilities are as follows:



In addition, the Group have engaged Riskory Consultancy Limited as a professional advisor to provide us with ESG, carbon neutrality and sustainability advisory services facilitating the Group on the journey of sustainability.

For more information about the Group’s corporate governance structure and other relevant information, or for a more comprehensive understanding of the Company’s corporate governance performance, please refer to the Corporate Governance Report in the Company’s *2023 Annual Report*.

Our Communication

CITIC Resources attaches great importance to the opinions of all stakeholders, both internal and external, and we are committed to maintaining close communication with them and actively responding to their expectations and suggestions. To show our gratitude to our stakeholders for their trust and support of the Group, we promise to make continuous efforts in implementing relevant measures to fully meet the needs and interests of our stakeholders and to work together towards the goal of sustainable development.



Communication Channels

CITIC Resources is committed to maintaining active communication with stakeholders and gaining a deeper understanding of their views and expectations, to ensure the stable development of the Group and implement its sustainable development strategies. The Group continues to communicate with stakeholders who are influential to our strategies, including non-governmental organizations, media organizations, industry associations, and more, to grasp the concerns and expectations of all parties on ESG matters. Through communication and consultation with stakeholders, the Group is more able to contribute to the sustainable development of society and fulfill its responsibilities to all sectors of society.

The following demonstrates the communication channels, objectives, expectations, and appeals of the key stakeholders of CITIC Resources' subsidiaries and joint ventures:



Stakeholder Groups	Customers	Employees	Shareholders/Investors	Government and Regulators	Suppliers and Contractors	Business Partners	Peer Companies	Potential Investors and Financial Institutions	Communities and the Public
Major Stakeholders	<ul style="list-style-type: none"> Oil Buyers Customers of the Import and Export Business 	All Employees	<ul style="list-style-type: none"> Major Shareholders Public Investors 	<ul style="list-style-type: none"> Government Agencies Industry Regulators 	<ul style="list-style-type: none"> Raw Materials Suppliers Equipment Suppliers Fleet Managers Professional Service Providers Catering Service Providers Security Service Providers 	Companies with Business Partnerships	Oil and Gas Companies	Investment Institutions	Communities around the oilfields
Engagement Purposes	To retain the lasting partnership with customers, the Group needs to understand the shared sustainability values, so that the products and services the Group delivers could meet their expectations.	The Group considers it as important to understand employees' sustainability issues-related concerns, particularly on the issues of labor and occupational safety practices.	The Group demonstrates its determination to pursue long-term financial returns and reports on sustainable development to the major shareholders. Addressing the investors' concerns on sustainability and demonstrating the Group's determination to pursue long-term financial returns.	Laws, policies, and regulations directly impact the Group's business. The Group needs to maintain close communication with the relevant governments and regulators to ensure that policies and regulations are well understood.	The sustainability performance of the suppliers and contractors directly affects the Group's performance. Suppliers are only involved in supplying services, materials, and equipment, and do not directly engage in the work at the oilfields of the Group. However, the environmental and social performance of the suppliers would affect the Group's operations and reputation. Therefore, the Group needs to maintain communication with suppliers to ensure that the suppliers operate in compliance. Given that the contractors bear the same health and safety risks as the Group's employees in the operating locations, the Group's HSE policies and systems cover all the contractors, which means they are managed, restricted, and protected by the HSE policies and systems, to ensure the safety of the contractors' employees and to prevent harm to themselves and the Group's employees due to their improper operation of facilities.	The Group is committed to maintaining a good working relationship with its partners and actively communicating with them to continuously understand the shared sustainability values and facilitate project implementation and execution.	By maintaining contact with peer companies, the Group can better grasp the trends of sustainable development and respond quickly.	As the Group may need to seek external funding in the course of its operations, the Group needs to ensure alignment with the requirements of different asset management companies and investment institutions.	The Group must proactively engage with local communities to ensure that its business is creating societal benefits for the communities. The Group respects local elements such as culture and beliefs in the places where it operates and makes continuous efforts to enhance local values.
Communication Channels	<ul style="list-style-type: none"> Business communication Customer feedbacks 	<ul style="list-style-type: none"> Worker representatives congresses Employee appraisal meeting Employee satisfaction survey Employee suggestion box Team building activities 	<ul style="list-style-type: none"> Annual general meeting Disclosure of listed company information On-site Investigation 	<ul style="list-style-type: none"> Regular reporting and submission of information Regular communication with regulatory authorities Meetings/seminars Annual environmental performance audit 	<ul style="list-style-type: none"> Business communication Tendering Seminars Forums Entry requirements and evaluation On-site investigation 	<ul style="list-style-type: none"> Annual Meeting Management visits Special inspections Regular reporting systems 	<ul style="list-style-type: none"> Communication with local labor departments Participation in industry forums Visits and inspects industry peers 	<ul style="list-style-type: none"> Information disclosures Briefings for investors Roadshows Briefings for analysts 	<ul style="list-style-type: none"> Charitable activities Stakeholder engagement
Expectations and Appeals	<ul style="list-style-type: none"> Improving the quality assurance system Providing quality products and services 	<ul style="list-style-type: none"> Ensuring the occupational health and safety of employees Improving remuneration and benefits Promoting professional skill development Caring for employees 	<ul style="list-style-type: none"> Protecting the rights and interests of shareholders Improving corporate governance Improving business performance 	<ul style="list-style-type: none"> Operating in compliance with laws and regulations Promoting local economic development Creating local job opportunities Producing and operating in a safe manner 	<ul style="list-style-type: none"> Entry management Continuous evaluation 	Win-win cooperation	Promoting industry development	Disclosing information timely and accurately	<ul style="list-style-type: none"> Improving community environment Supporting community public welfare

Materiality Assessment

During the Reporting Period, CITIC Resources engaged an independent third-party ESG advisory team to assist in understanding stakeholders' concerns and conducting materiality assessments to effectively identify material issues. We regularly review and update the material issues database and list by continuously communicating with stakeholders and assessing the Group's actual business operations and industry characteristics, as well as taking into account the national macro policy direction and capital market concerns, with reference to the Sustainability Accounting Standards Board (SASB) and MSCI's industry materiality issues classification as well as the material issues disclosed by industry peers. We developed the relevant questionnaire based on the issue database and invited relevant departments and stakeholders to complete the materiality assessment questionnaire to ensure the expectations and concerns of stakeholders were fully addressed. During the Reporting Period, we have identified 18 material issues of concern to our stakeholders.

1 Materiality Database and List

- 1) Compiled the potential material issues database and list with reference to the following standards:
 - a) The ESG Reporting Guide by SEHK;
 - b) Industry Materiality Issues Classification by SASB;
 - c) Industry Materiality Issues Classification by MSCI;
 - d) Material Issues disclosed by industry peers and the Group's business characteristics; and
 - e) TCFD recommendations on climate-related financial disclosures.
- 2) Reviewed and enhanced the existing material issue database and confirmed the materiality list.

2 Internal and External Stakeholder Engagement

- Prepared proposals for engaging internal and external stakeholders through research and analysis.
- Confirmed stakeholders participating and the format of the questionnaire according to the actual business operation.

3 Materiality Assessment Questionnaire

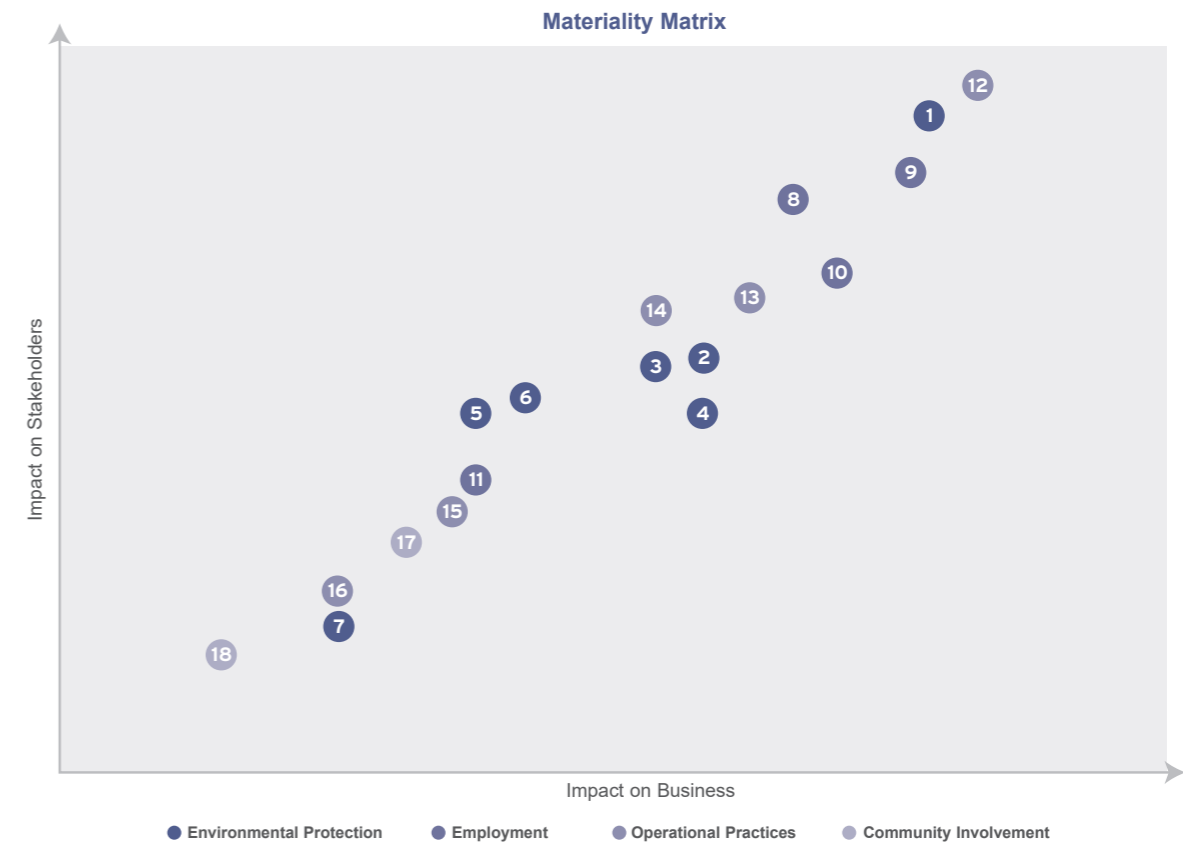
- Prepared the materiality assessment questionnaire based on the confirmed ESG materiality list.
- Stakeholders were invited to rate the materiality of the corresponding ESG issues.
- Collected feedback and suggestions from stakeholders on our sustainability practices and their views on our future sustainability strategies.

4 Materiality Assessment Results and Report

- Obtained the materiality assessment questionnaire results.
- The materiality ranking of the ESG issues was analyzed from two dimensions including "Impact on Business" and "Impact on Stakeholders" after obtaining the assessment results.
- Report the assessment results to the Management.
- Approve the results of the materiality assessment.
- Form a matrix according to the confirmed materiality assessment results.
- Material issues identified are disclosed in this Report in a focused manner.

Materiality List

Materiality issues list and the corresponding sections in the Report:



Subject Area	Material Issues	Sections for Responses
Environmental Protection	1 Risks related to Climate Change (e.g. Typhoons, Floods)	Climate Change
	2 Waste Management	Environmental Impact and Management
	3 Resources Usage Efficiency (including Water Resources)	Resources Usage
	4 Air Pollution and Greenhouse Gases Emission Management	Environmental Impact and Management
	5 Biodiversity and Land Use	Environmental Impact and Management
	6 Oil Spill Prevention	Oil Spill Prevention
	7 Energy Use (including New and Clean Energy)	Resources Usage
Employment	9 Protection of Employees' Rights	Respecting Rights
	10 Diversity and Equal Opportunities	Respecting Rights
	11 Employee Training and Development	Training and Development
Operational Practices	8 Occupational Health and Safety	Health and Safety
	12 Business Ethics and Anti-corruption	Integrity in Business
	13 Risk Management and Compliance Operation	Risk Management and Internal Control, Health and Safety
	14 Scientific Research and Technological Innovation	Supply Chain and Product Quality Management
	15 Products and Services Quality	Supply Chain and Product Quality Management
Community Involvement	16 Supply Chain Management	Supply Chain and Product Quality Management
	17 Community Development Contribution	Our Community
	18 Community Service Engagement	Our Community



Our Environment

The material issues – “Risks related to Climate Change (e.g. Typhoons, Floods)”, “Waste Management”, “Resources Usage Efficiency (including Water Resources)”, “Air Pollution and Greenhouse Gases Emission Management”, “Biodiversity and Land Use”, “Oil Spill Prevention”, and “Energy Use (including New and Clean Energy)” are particularly responded to in this section of this Report.

CITIC Resources actively promotes green and low-carbon concepts, covering the entire process from oilfield exploration to development and production, to improve resource efficiency and reduce the negative impact on air, soil, and water resources. As a member of the natural resources industry, we strictly abide by the local environmental protection laws and regulations and formulate relevant environmental management strategies and policies to ensure the sustainable development of the environment. We have also adopted many green and low-carbon technologies and implemented carbon reduction programs aimed at reducing electricity, fuel, and water consumption, reducing air pollutants and greenhouse gas emissions, and promoting coordinated economic, social, and environmental progress. We continue to monitor and evaluate our environmental performance to ensure our environmental protection measures are effective in achieving our sustainable development goals.



Environmental Impact and Management

- CITIC Resources continuously focuses on the environmental impact of its corporate business activities and is committed to integrating environmental protection responsibilities into its daily operations. Through a series of measures, we are constantly improving and enhancing our environmental management to minimize and mitigate the negative impacts on the surrounding natural environment to the greatest extent.

Resources Usage

- CITIC Resources fully understands the importance of energy and water resources to the Group. Since oilfields are often located in remote or offshore areas, the supply of energy and water resources is one of the operational challenges. In addition to ensuring a stable supply, we continue to enhance the efficiency of energy and water resources utilization through technological innovations, equipment upgrades, and the strengthening of precise management in production operations.

Oil Spill Prevention

- CITIC Resources is acutely aware of the significant ecological and socio-economic impacts that oil spills can cause, and the risks they pose to employees and the broader community. We have made significant efforts in our operational planning and policy implementation to prevent oil spill incidents and to improve the effectiveness and rapid response of our emergency response measures.

Climate Change

- CITIC Resources is highly attentive to the impacts and opportunities that climate change brings to the Group's business operations, and actively keeps track of the industry's development of low-carbon technologies and energy-saving devices. We aim to continually enhance our capability to respond and address climate change issues and to strive to reduce greenhouse gas emissions.

Environmental Impact and Management

CITIC Resources attaches great importance to the harmonious symbiosis with nature. In the actual production process, CITIC Resources always pays attention to sustainable development, fully integrates environmental protection and operational management, adheres to clean production, actively responds to climate change, and strives to reduce and control pollutant emissions. CITIC Resources is committed to protecting the natural environment of its operating areas and communities by taking a series of measures to reduce carbon emissions, strengthen environmental conservation, and strive to achieve the goal of balancing business development and environmental protection. CITIC Resources also requires all subsidiaries and urges its joint ventures to strictly comply with the environmental laws and regulations of the jurisdictions in which they operate and to maintain good communication with relevant government departments.

- Air Emissions**

 - During the operation of offshore platforms, diesel generating units, construction machinery, and various fueled vehicles, our consumption of fossil fuels leads to the emission of air pollutants such as Nitrogen Oxides, Sulfur Dioxide, and Particulate Matter.
- GHG Emissions**

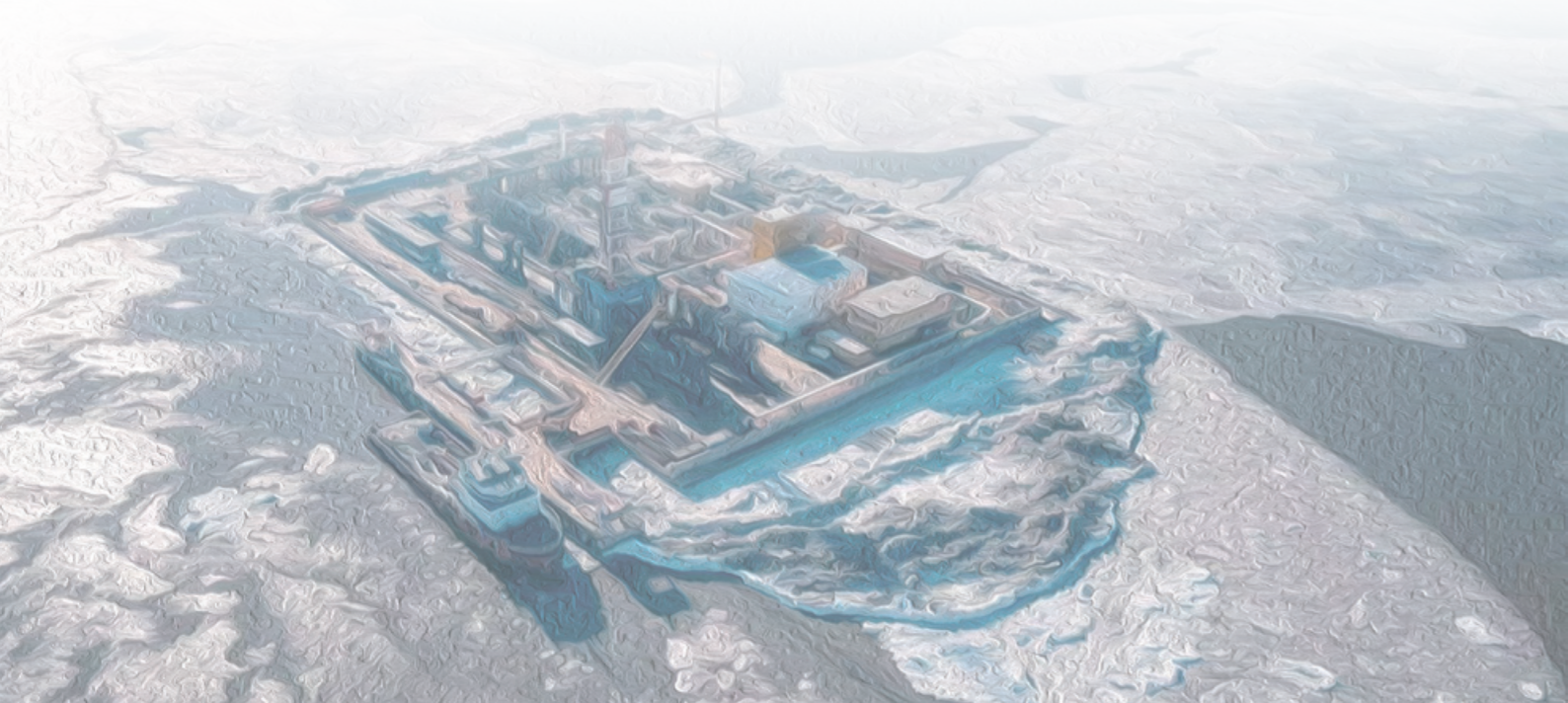
 - In the Group's operational activities, direct and indirect greenhouse gas emissions are inevitable. Direct emissions primarily come from fossil fuel-driven equipment and flare emissions, while indirect emissions originate from the consumption of electricity and steam.
- Waste Generation**

 - In the process of exploring and developing oilfields, the Group generates pollutants such as oil sludge and oil sand, while drilling activities also produce waste such as drill cuttings and drilling fluids. Non-hazardous waste like domestic waste and waste paper are mainly from the staff's dormitories and offices.
- Discharges into Water and Land**

 - The production and domestic wastewater discharged into the environment by the Group are all properly treated, and the wastes generated are stored in proper locations.
- Water Usage**

 - Since most oilfields are located in remote areas or far offshore, the Group needs to extract freshwater from the natural environment to meet the production and domestic needs during business operations of the oilfields.
- Changes to the Natural Environment Around the Operating Locations**

 - To ensure smooth operations, the Group has established various facilities in the natural environment, which have resulted in certain changes to the surrounding natural environment.





CITIC Resources believes that efficient ecological environmental protection and the Company's high-quality development are mutually reinforcing. CITIC Resources has incorporated the concept of ecological protection into the Company's daily operations. In response to the Hong Kong Environmental Protection Department's initiative, CITIC Resources Hong Kong office held a beach cleanup at Shalan in Tai Po in November 2023.

CITIC Resources has also successfully signed up the Food Wise Charter of the Hong Kong Environmental Protection Department to support and pledge to reduce food waste. We are committed to taking a range of measures to reduce food waste, including raising awareness among our employees and working together to reduce the level of food waste. As a participant in the Food Wise campaign, CITIC Resources will continue to put more effort into promoting food waste reduction and contributing to a sustainable future.



The Beijing office also strives to practice the concept of green environmental protection and actively participates in environmental protection activities. They organized voluntary tree planting activities for employees in April 2023.



In line with the actual conditions of the operating locations, Tincy Group, CITIC Seram, and KBM have established and implemented different environmental management policies in their respective oilfields. These policies are designed to address the specific environmental challenges of each oilfield and to develop corresponding management measures that minimize the negative impact on the local environment. During the Reporting Period, Tincy Group and KBM have reviewed their existing environmental objectives and action plans, sorted out their completion progress, and made timely adjustments according to the actual performance to ensure the continuous effectiveness and timeliness of their environmental protection measures.

Tincy Group – Yuedong Oilfield

Environmental Impacts

Based on the relevant laws and regulations promulgated by the state to control exhaust gas emissions, sewage discharge, and land discharge, Tincy Group has formulated management regulations related to environmental protection in the company's HSE system documents:

- Tincy Group Energy Resources Limited Ecological Environmental Protection Management Measures;
- Tincy Group Energy Resources Limited Hazardous Waste Management Measures;
- Tincy Group Energy Resources Limited Environmental Monitoring and Environmental Information Management Measures;
- Regulations on Pollution Prevention Reporting Management;
- Sewage Treatment and Discharge Management Regulations;
- Domestic Sewage Treatment Plant Management Regulations;
- Regulations on Power Saving Management;
- Test Report; and
- Tincy Group Energy Resources Limited Onshore Centralized Heavy Pollution Treatment Station One Plant One Policy Implementation Plan.



Tincy Group established detailed provisions on all aspects of work, from the "Environmental Protection Three Simultaneities" of engineering construction to the discharge and recycling of pollutants such as gas/water/slag generated during the construction, production, and operation stages, data recording/statistics and reporting, problem inspection and solutions, environmental tracking and monitoring, emergency response and drills for environmental emergencies and other aspects. The formulation and implementation of its environmental protection systems ensure the exhaust gas from the company's production site is declared promptly, wastewater pollutants are discharged up to compliance standards, solid waste is recycled and disposed of in compliance with regulations, and the data is recorded and timely declared. Relevant implemented measures are:

1. Declaration of the amount of pollutants in the discharge of air and domestic sewage from offshore platforms and payment of environmental protection tax to the Fourth Branch of Tianjin Tax Bureau of the State Administration of Taxation every quarter;
2. After the expansion and transformation of the sewage treatment system of the onshore terminal processing station in 2022, all wastewater generated in the production process could now be fully treated and meet the standards. All sewage produced on the offshore platform is collected into the onshore terminal processing station in the system and is discharged into the Liaodong Bay after the standard pre-treatment (real-time monitoring by online monitoring equipment, and the indicators comply with DB21/1627-2008 "Integrated Wastewater Discharge Standard" of Liaoning Province, regulating that the standards of chemical oxygen demand $\leq 300\text{mg/L}$, ammonia nitrogen $\leq 30\text{mg/L}$ and petroleum $\leq 20\text{mg/L}$);
3. The domestic sewage of the platform is discharged after being treated and qualified (monthly sampling is commissioned to the qualified contractor for testing, and the actual discharge of COD in the GB4914-2008 "Emission Concentration Limit of Pollutants for Offshore Petroleum Exploration and Development" is $\leq 300\text{mg/L}$);
4. All solid wastes generated from offshore platforms are collected and transported to land for compliant disposal; and
5. The offshore production platform submits relevant data on production and pollutant discharge through the "Offshore Oil Exploration and Development Pollution Prevention Statistics System" online daily, and the HSE department of the company regularly reviews such data.

Tincy Group has also set environmental objectives and action plans, established specific indicators and divided them into specific departments, regularly reviewed relevant goals, and improved management systems and work plans.

Environmental targets and action plans set by Tincy Group:

Target Areas	Environmental Targets	Indicators	Action Plan	Timeframe for Completion	Applicable Department	Status of Completion
Air Pollutant Emission	No environmental incidents at or above Level IV	Non-methane hydrocarbon emission concentration limit of 4 mg/m ³	Environmental Monitoring	2023.12	HSE Department	According to monitoring results, the average maximum concentration at monitoring points was 0.75 mg/m ³
GHG Emissions	Increase the proportion of natural gas in fuel consumption and improve fuel utilization efficiency. Reduce the probability of accidental emissions and methane leakage.	Reduce fuel oil consumption by 3% year-on-year. Increase flare gas recovery utilization rate by 10% year-on-year.	Adopt centralized heating at terminals and decommission steam boilers to reduce fuel combustion emissions. Increase natural gas utilization rate and use dual-fuel burners in boilers to reduce flare combustion emissions. Perform preventive maintenance on process systems and equipment to control accidental process venting emissions. Conduct proper equipment inspection and maintenance, and implement planned replacement of seals to reduce fugitive emissions.	2023.12	Oil Production and Transportation Department	Fuel oil consumption decreased by 5.4% year-on-year. Flare gas recovery utilization rate increased by 31.8% year-on-year.
Waste generation	Improve the utilization rate of waste resources	Realize classified management, transportation, and compliant disposal of industrial and domestic waste in oilfields	The company strictly regulates the classification and storage of industrial and domestic waste on the offshore production platform and strengthens the supervision and management of the daily production process by marking, listing, and tracking the trash bins on each platform, to avoid the mixing of domestic waste and industrial waste as much as possible, reduce the amount of industrial waste generated, and reduce environmental hazards and industrial waste disposal expenses.	2023.12	Offshore platform production and Operation department, Comprehensive management department of office building of the company	Completed
		Penetration rate of waste classification	Promote waste recycling in all oilfields and offices, regularly carry out publicity activities and education on waste sorting, and encourage employees to participate in waste sorting at the source.	2023.12		Completed

Target Areas	Environmental Targets	Indicators	Action Plan	Timeframe for Completion	Applicable Department	Status of Completion
Waste generation	Reduce non-hazardous waste	Reduce the use of disposable items	The canteen does not provide plastic bags and disposable tableware/provides plastic bags and disposable tableware in charge of fee.	2023.12	Offshore platform production and Operation department, Comprehensive management department of office building of the company	Completed
	Reduce hazardous waste	Drilling waste disposal rate	Transfer drilling waste back to land, and entrust qualified units to handle all drilling waste in compliance with regulations.	2023.12	Drilling Department and HSE Department supervise the completion of drilling contractors	Completed
		Oily sludge treatment rate	According to the water content of oil sludge, the company timely regulates the proportion of chemical drugs, strictly controls the water content of oil sludge to ≤ 58%, and reduces the amount of oil sludge generated; Qualified entities are invited to conduct harmless and compliant treatment of oily sludge	2023.12	Oil Production and Transportation Department	Completed
	Increase food waste recycling	Promotion of "Clean Plate" campaigns (e.g. promotion participation)	Promote "Clean Plate" campaigns and put up posters in the canteen to remind staff not to waste food; There is a specific person to monitor where kitchen waste is dumped to avoid waste of food.	2023.12	Offshore platform production and Operation department, Comprehensive management department of canteen	Completed

Target Areas	Environmental Targets	Indicators	Action Plan	Timeframe for Completion	Applicable Department	Status of Completion
Energy use	Improve energy efficiency	Energy consumption of energy-consuming equipment	According to the actual production of oil wells, the Group will explore the medium frequency heating of oil wells and turn them into the operating mode to achieve the goal of power saving; High-energy-consuming nitrogen skid adopts the staggered peak operating mode to save electricity costs.	2023.12	Oil Production and Transportation Department	Completed
		Electricity Consumption	Formulate sound energy conservation management work plans and measures, and establish an energy project team.	2023.12		Completed
		Process optimization	Conduct the process review to identify areas of low efficiency and potential areas for improvement.	2023.12		Completed
Use of water resources	Improve water resource utilization efficiency	Reuse water resources	Recover and reuse condensate water. Recycle water-based drilling fluid to reduce water consumption.	2023.12	Drilling Department and Oil Production and Transportation Department	Completed
		Reduce waste of water	Regular maintenance of water supply and fire service systems to reduce water leakage.	2023.12	Oil Production and Transportation Department	Completed

Greenhouse Gas and Air Pollutant Emissions

To address the work of greenhouse gas emission reduction and “Dual Carbon” goal, Tincy Group has established and strictly complied with internal systems, including “Regulations on Power Saving Management”, “Yuedong Oilfield Power Limit Plan”, and “Daily Management System for Gas Wells”, and the implemented following measures:





- Promote the knowledge of the “Dual Carbon” goal and raise employees’ awareness of energy saving and carbon emission reduction;
- Adopt various measures to save purchased electricity;
- Strengthen the management of fuel consumption for boiler operation. According to the operation of high and low-pressure boilers in B and C islands, dynamically regulate the gas supply of gas wells in C island to meet the operation needs of the boiler to the greatest extent;
- The onshore centralized treatment station has installed an access control system to cope with heavy pollution weather and developed the “Tincy Group Energy Resources Limited Onshore Centralised Heavy Pollution Treatment Station One Plant One Policy Implementation Plan”. This plan follows the Ministry of Ecology and Environment the People’s Republic of China’s regulations on restricting the usage of oil transportation vehicles and executes response measures at three levels;
- According to the requirements of the competent ecological and environmental authorities, the oil sludge drying plant of the onshore terminal processing station is under full enclosed management, and the exhaust gas is treated and discharged after being filtered and adsorbed by the recycling device; and
- The electricity governance project team, established in 2020, has improved the electricity management system through forming the project team and the establishment of regulations. Advanced the application of dual hollow rod circulation heating technology and wellbore chemical viscosity reduction technology; optimized tubing design; and refined node management to achieve energy saving and consumption reduction.

Sewage Treatment

Discharged wastewater is one of the pollutants produced in the oil production process. Yuedong Oilfield uses its sewage transportation system to filter and treat oily sewage to meet the standards of export requirements before transporting it. The existing sewage treatment system has been renovated in the Yuedong Oilfield. After the renovation of the sewage transportation system, the external pumps and external transmission tanks were decommissioned, which helped to reduce electricity consumption and indirectly reduce greenhouse gas emissions.



During the Reporting Period,

 <p>a total of 6,353.59 tonnes of land-treatment mud</p>	 <p>a total of 839.02 tonnes of oily sludge was disposed</p>
 <p>a total of 868 tonnes of domestic waste was recycled and disposed</p>	 <p>3,718.71 tonnes of cuttings were collected and transported back to the land.</p>

Waste Management

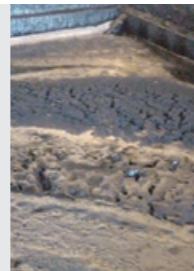
Tincy Group prepares and strictly abides by the “Hazardous Waste Management System” and takes various effective measures.

The waste mud and cuttings generated during the drilling process are all recycled by the drilling contractor using the cuttings box and transported back to the land in a centralized manner, qualified companies are entrusted for centralized treatment, and the waste is discharged after treatment so that there is no pollution caused by drilling fluid and cuttings landing in the whole process. During the Reporting Period, a total of 6,353.59 tonnes of land treatment mud and 3,718.71 tonnes of cuttings were collected and transported back to the land.



Oily sludge generated from the sewage treatment process in the onshore terminal processing station is entrusted to a company with hazardous waste treatment qualifications for compliance disposal. A total of 839.02 tonnes of oily sludge were disposed of during the Reporting Period.

Oily wastes generated from offshore platforms are all collected and transported to land by special containers and entrusted to companies with hazardous waste treatment qualifications for compliant disposal.



Domestic waste generated from offshore platforms is collected and transported to land by special containers, and entrusted to qualified service providers for unified recycling and disposal. During the Reporting Period, a total of 868 tonnes of domestic waste were recycled and disposed of.

CITIC Seram – Seram Block

CITIC Seram strictly complies with the environmental laws and regulations of the places where it operates and has established internal systems including:

- Environmental Management;
- Incident Reporting and Investigation;
- HSE Policy; and
- Management of Changes.



Greenhouse Gas and Air Pollutant Emissions

CITIC Seram strictly adheres to regulations on reducing emissions in the regions where it operates. To reduce air emissions, CITIC Seram’s turbine generators in major production facilities use natural gas to replace diesel as the primary fuel. To further reduce and control exhaust gases and greenhouse gas emissions, the company has implemented preventive maintenance measures and uses natural gas as efficiently as possible to reduce the demand for gas. The company also regularly monitors and measures the emissions of the turbine generators.

In response to China’s 3060 “Dual Carbon” strategy, CITIC Seram has formulated various measures, including using associated gas to fuel the inter-oilfield facilities’ turbine generators to implement low-emission production operations and using most wellhead gas as fuel on industrial activities to reduce a large amount of greenhouse gas emissions. Under the environmental regulations and permits, CITIC Seram is responsible for monitoring environmental parameters, including gas emissions from its operations, which have so far remained within the recommended quality standards, and assigning government-certified staff to take charge of potential air pollution problems and ensuring staff who involved in the emissions control management are professionally competent. To support the low-carbon transition, CITIC Seram has also procured equipment to compress and filter gases for use as fuel in turbine generators.



Wastewater and Waste Management


According to its internal wastewater management system, CITIC Seram uses a treatment process to remove wastewater pollutants, including domestic sewage and the wastewater it generates, before discharging wastewater into the ocean or river. CITIC Seram ensures every indicator of the wastewater meets the discharge standards, and regularly monitors the wastewater discharge to ensure it meets the environmental standards. The water required by the facilities is limited to sanitation and fire service systems.

To reduce waste, CITIC Seram conducts a comprehensive assessment of wastes, identifies and analyzes the different types of waste generated during operations, develops and implements waste minimization plans focused on source reduction, and works with suppliers and contractors to incorporate recycling practices into its operations. The company has implemented procedures to ensure the proper handling and disposal of hazardous waste in accordance with laws and regulations and provides employees with regular training on waste management practices, including proper handling, sorting, and disposal methods. CITIC Seram has also invested in advanced waste treatment and disposal technologies, emphasizing environmentally friendly approaches, and conducts regular audits and inspections of waste management practices to ensure compliance and identify areas for improvement.

Environmental Impact

To further reduce the negative impact of its operations on the environment, CITIC Seram has implemented several policies, including conducting routine environmental monitoring (air, water, soil, and community) to comply with government regulations during the production phase, conducting "Afforestation Program" and planting more than 150,000 trees during the Reporting Period, wastewater management (undergo wastewater treatment before discharging into the ocean or river, including domestic sewage and the wastewater generated from the production process) and hazardous waste management. Practical measures include:

- **Plastic waste reduction activities such as avoid purchasing plastic water bottles;**
- **Electricity conservation activities;**
- **Water conservation activities;**
- **Fuel saving scheme; and**
- **Waste management, such as sorting and reusing waste materials that can still be used.**






KBM – Karazhanbas Oilfield

Environmental impact

KBM has always pursued a friendly environmentally-friendly attitude and has been engaged in production and business activities in accordance with laws and regulations. KBM is committed to integrating environmental protection into its daily production operations, and has formulated relevant policies and frameworks to regulate and comply with:

- "Environmental Monitoring and Control System";
- "Annual Environmental Protection Work Plan";
- "Production Environmental Management Plan";
- "Emergency Plans";
- "Accident Reporting Procedure and Crisis Management Code";
- "Associated Gas Application Plan";
- "Wastewater Resource Utilization Plan";
- "Annual Oil Well Holes Inspection Plan";
- "Annual Valves and Process Pipelines Inspection Plan"; and
- "Annual Process Equipment Flaw Detection and Inspection Plan".



Actual measures KBM took to reduce its impact on the environment:

1. Conduct regular testing on the atmosphere, soil, drinking water, flora and fauna, Caspian Sea seawater and radiation in the oilfield area as planned;
2. Handle oil sludge, domestic waste, construction waste, electronic chemical waste, etc. generated during the production process in a timely manner; and
3. Treat drilling waste and oil soils accumulated in previous years and commence the treatment of legacy pit oil. In 2023, KBM cleaned and transported a total of approximately 18,000 tonnes of waste such as drilling and workover waste, oil sand and oil leaching.

KBM has also set environmental targets and action plans, established specific indicators for different departments, regularly reviewed relevant targets, and improved management systems and work plans.

Environmental targets and action plan KBM set:

Target Areas	Environmental Targets	Indicators	Action Plan	Timeframe for Completion	Applicable Department	Status of Completion
Air Pollutant Emission	Reduce air pollutant emissions	Addition of exhaust gas treatment devices	It is planned to apply flue gas recycling devices.	Long-term	Production Department, Drilling and Maintenance Department	In progress
		Regular overhaul and maintenance of the pressure control system	The well-control devices are regularly tested to avoid incidents such as blowouts that affect the environment.		Safety and Environmental Protection Department	
GHG Emissions	Reduce GHG emissions from vehicles	The overall fuel consumption or usage of official vehicles	Strengthen the management of official vehicles for official use, record the fuel consumption of official vehicles, regularly repair official vehicles, and reduce the fuel consumption per km of vehicles.	Long-term	Vehicle Transportation Department	In progress
	Reduce GHG emissions during production	Percentage of renewable energy	Study the application of solar power in oilfields.	Before 2026	Production Department	In progress
	Greening	Area greening rate, number of trees planted	Encourage employees to participate in tree-planting activities.	Long-term	Social Department	In progress
Waste Generation	Improve the utilization rate of waste resources	Oilfield area, dormitory, and office for waste classification	Waste separation is implemented in the office, and paper is especially recycled.	Long-term	Administration Department	In progress
		Penetration rate of waste classification	Promote waste recycling in all oilfields and offices, regularly carry out publicity activities and education on waste sorting, and encourage employees to participate in waste sorting at the source.	Long-term		
	Reduce non-hazardous waste	Reduce the use of disposable items	The canteen does not actively provide plastic bags and disposable tableware.	Long-term	Administration Department	In progress
		Implement paperless office	Actively promote paperless office.	Long-term		
	Reduce hazardous waste	Drilling waste disposal rate	The newly produced drilling waste is handed over to professional waste handlers for treatment every year.	Long-term	Safety and Environmental Protection Department and Drilling and Maintenance Department	In progress
Oily sludge treatment rate		At present, the company is engaging a third-party professional treatment agency to treat historical oil pollution and oily sludge and treat the waste for laying the road surface for recycling.	Before 2026			
Increase food waste recycling	Promotion of "Clean Plate" campaigns (e.g. promotion participation)	We promote "Clean Plate" campaigns and post promotional materials in the canteen to remind employees not to waste food.	Long-term	Administration Department	In progress	

Target Areas	Environmental Targets	Indicators	Action Plan	Timeframe for Completion	Applicable Department	Status of Completion
Energy Use	Improve energy efficiency	Energy consumption of energy-consuming equipment	Formulate maintenance plans, regularly inspect energy-consuming equipment, and regularly repair and upgrade electronic equipment in offices and oilfields to optimize energy efficiency.	Long-term	Production Department	In progress
		Penetration rate of low-energy consuming equipment	Replace and phase out high energy-consuming equipment and formulate a schedule for equipment replacement.	Long-term		
		Electricity Consumption	Formulate sound energy conservation management work plans and measures.	Long-term		
Use of Water resources	Reduce water consumption	Water Consumption	Formulate water-saving measures. For example, water-saving signs are posted in places such as washrooms.	Long-term	Administration Department	In progress

Wastewater and Waste Management

As of the last day of the Reporting Period, "Karazhanbas Oilfield Water Treatment Plant" had produced 2.1 million tonnes of clean water. The water treatment plant project uses the membrane method to treat the extracted water from the oilfield as the boiler feed water source for the steam extraction of the oilfield, which greatly reduces the risk of environmental pollution and realizes the resource utilization of oilfield extracted water.



To implement the environmental cooperation memorandum with the Ministry of Environmental Protection of Kazakhstan and the National Oil and Gas Company of Kazakhstan, KBM entered into a waste treatment service contract with a qualified environmental waste treatment service provider and to fully commence the treatment and surface restoration of historical oil-leaching soil in the oilfield. In 2023, KBM has completed 142,000 tonnes of historical waste and soil treatment and exceeded the annual workload.



Ecological Protection

KBM organizes voluntary labor activities to contribute to the protection of the ecological environment. In April 2023, KBM organized a volunteer activity for employees to clean up plastic bags, beverage bottles, fruit peels, and paper wastes from the coastal avenue, with nearly 100 bags of waste being transported to the landfill for disposal. This volunteer activity not only achieved the result of team building but also brought cleanliness and freshness to the coastal avenue. In June 2023, KBM Young Specialists, employees of the Department of Safety and Environmental Protection, and local students of Yessenov University organized a volunteer effort to clean up waste in a bay on the shores of the Caspian Sea. Nearly 100 volunteers cleaned up more than 10 tonnes of waste including old tires, and plastic bottles, and transported them to the nearby stationary waste station for disposal.



Resource Usage

CITIC Resources is committed to sustainable development without affecting the stability of production and operations. The Group actively implements effective resource conservation actions and continuously improves the efficiency of resource utilization.

Environmental protection has always been at the core of our technical services and regulatory processes to ensure the Group's business practices have as little negative impact on the environment as possible. We strictly follow the concept of green, low-carbon, and circular development, and spare no effort to implement and promote these principles. Environmental protection is of paramount importance to the sustainable development of the Group, we continue to explore innovative ways and measures to achieve our sustainable development goals.

Since October 2023, CITIC Resources has turned off office lights during lunchtime to save energy and reduce waste. To demonstrate our commitment to sustainable development, we signed the Energy Saving Charter jointly launched by the Environment and Ecology Bureau of Hong Kong and the Electrical and Mechanical Services Department to encourage our staff to actively participate in energy conservation practices and make positive contributions to environmental protection and climate change.

CITIC Resources has set up a comprehensive strategy, including controlling emissions of exhaust gases and greenhouse gases, controlling the generation of various hazardous and non-hazardous wastes, improving resource and energy efficiency, reducing water use, enhancing environmental protection investment, and optimizing production processes, while in-depth implement environmental protection and green office concepts in daily operations.



Tincy Group – Yuedong Oilfield

In view of energy conservation and emission reduction, Tincy Group has the following measures in place:



- Take various measures to save the use of purchased electricity.
- Rational and efficient use of natural gas and reduce the use of crude oil.
- In 2023, B and C islands used grid-powered workover rigs for workover operations throughout the year, using electric and hydraulic drives, which avoided a large number of air pollutants and greenhouse gases generated by diesel-driven workover rigs during use.



Drilling Department:

- Optimize various parameters of diesel engine equipment to achieve optimal working conditions.
- Reasonably control the use of drilling rig lighting, and adjust it in time according to the change of season and time.
- When drilling, select reasonable drilling parameters based on actual conditions, ensure smooth interfaces and coordination between various construction professionals, and strengthen coordination between different parties of onshore well-workover operations, oil extraction, and others. This effectively shortens the construction cycle and achieves energy conservation and emissions reduction.
- Properly store drilling mud materials.
- Optimize the perforation return scheme so that the returned oil-containing fluids directly enter the onshore production process and are exported back to the onshore terminal together with the island's production liquids for unified treatment and utilization.
- Adopt batched drilling of 4-5 wells, maximize the reuse of drilling fluids for each drilling batch, conserve water resources, and reduce drilling fluid material consumption, as well as significantly reduce the generation of drilling cuttings waste. Each well reuses approximately 120 cubic meters of old mud, which not only reduces the pressure on drilling cuttings recovery but also contributes to energy conservation, emissions reduction, cost reduction, and efficiency improvement.

Well Workover:

- The workover site is paved with impermeable membranes to prevent oil spills from contaminating the ground and polluting the island's surface. Strict implementation of waste sorting measures to reduce pollution and waste disposal costs.
- According to the volume and leakage of the wellbore, calculate and control the amount of well washing fluid, improve the efficiency of well washing, and reduce the well washing fluid usage.
- Optimize the scheme design, strengthen the operation management, improve the operation efficiency, and save the electricity and fuel consumption of equipment operation.
- Insulate wellhead tanks properly to reduce heat loss.



Oil Production & Gathering & Transportation Department:

- Sewage treatment agents are preferred for onshore centralized treatment stations.
- In terms of steam saving, by increasing the temperature of external transportation on each island, screening high-efficiency crude oil dehydration agents, reasonably regulating the settlement and dehydration temperature of the first and second stages, and maintaining the temperature of each storage tank.
- The oil well is dosed to reduce viscosity, reduce the load of medium frequency heating and pumping unit, dynamically adjust the operation of the heating belt according to weather changes, adjust the lighting operation time promptly according to seasonal changes, and strengthen the management of staggered operation during the peak load hours from 17:00 to 19:00 every day stipulated by the State Grid Corporation of China.
- Turn off the faucet after use to avoid the occurrence of long-term running water. Use cameras to monitor water wells in real time for any leakage and repair in a timely manner. Regularly inspect water source wells for any leakage and repair promptly to prevent water leakage.

Production & Operation Department:

- To minimize the generation of oily hazardous waste on offshore platforms as much as possible, the Production and Operation Department has strictly regulated the classification and storage of domestic waste and oily hazardous waste on the offshore production platforms and strengthened supervision and management by labeling, tagging and tracking the garbage bins of each platform in the daily production process, to reduce the amount of oily hazardous waste.
- Coordinate and rationally arrange vessels, share resources, and reduce the number of inefficient departures; In accordance with the light, heavy, slow, and urgent production tasks, the company strictly supervises and implements the 'Regulations on the Management of Vessel Island Shuttle', reasonably arranges the transportation between vessels and islands; Set economic sailing speeds for vessels, use more vehicles and fewer rudders, and rely on driving skills to save diesel; Insist on using shore power during the period of vessel guarding berthing. For electricity use on vessels, follow the principle of "lights out upon exit" to save electricity.
- For water conservation, prohibit the use of freshwater to wash decks on vessels, eliminate leakage, and conserve water use at docks.

Strengthen the management of fuel consumption in boiler operation:

- To meet the needs of boiler operation to the greatest extent with natural gas. Only switch boilers to burn self-used oil when natural gas volume is insufficient, to reduce self-used oil consumption.

CITIC Seram – Seram Block

To save energy and reduce emissions, CITIC Seram has formulated relevant measures:



- Using associated gas into fuel gas to drive turbines to reduce emissions in production operations. In this way, emissions from gas combustion can be minimized and high efficiency can be achieved.



- Replace plastic bottled beverages with thermos cups and stop distributing mineral water bottles.



- Turn off the air conditioning when not in use.
- Turn off all unused electricity, especially lighting, and use sunlight in the room during the day.



- Create green open spaces around the office and educate and socialize with all employees related to the green office.
- Declare a zero-waste policy in the office and conserve the use of water and electricity.
- Minimize printing, optimize digital files to implement paperless documents, print only when needed, encourage double-sided printing, and reuse paper documents that are no longer in use.



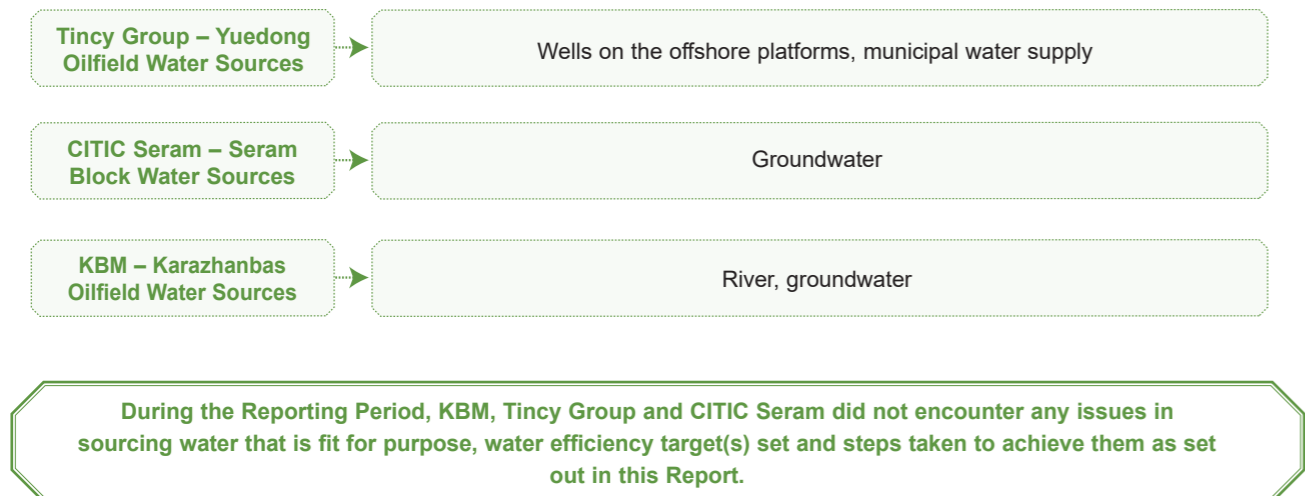
- Analyze thoroughly the environment, related to clean technology trends, government policies related to clean energy, and market needs.
- Define the vision and mission related to clean technology and how its contribution can shape a sustainable future.
- Setting innovation goals to develop more efficient clean technologies.
- Identify risks that may arise during clean technology development and develop appropriate mitigation plans.
- Upgrade or improve the technology system used today by focusing on energy efficiency and technology that produces low emissions.
- Looking at the possibility of developing technology related to efforts to capture emissions in the air.

KBM – Karazhanbas Oilfield

To protect the environment, KBM has launched a “Green Office” campaign and initiative in its office and at the oilfield site. The campaign includes the rational use and conservation of electricity, the use of safe energy-saving lamps, and the sorting and recycling of waste. Starting with the collection of wastepaper, and setting up a paper collection box. According to estimation, 5 to 10 tonnes of waste newspapers and paper can be collected in a year, which is equivalent to saving 10 trees, 1,000 kWh of electricity, and 20,000 liters of water.

On 1 July 2022, the “Karazhanbas Oilfield Water Treatment Plant” project, jointly invested in and constructed by KBM and CITIC Envirotech Co., Ltd., was officially put into trial operation. The project is designed to process 42,500 tonnes of reclaimed water per day and produce 17,000 tonnes of purified water daily. As at the end of the Reporting Period, 2.1 million tonnes of clean water have been produced. The water treatment plant project uses a membrane method to treat the extracted water from the oilfield as the boiler feed water source for the steam extraction of the oilfield, which not only greatly reduces the large-scale water problem that may be caused by the recovery of the extracted water from the oilfield and avoids the risk of environmental pollution, but also realizes the resource utilization of the extracted water from the oilfield, so that KBM can reduce its reliance on Volga River water, and the saved water can be used for local industrial and agricultural development. At the same time, the implementation of the project can not only reduce the return of oil-extracted water from the oilfield but also increase crude oil production, save energy, and reduce oil production costs. In addition, more than 50 job opportunities were created at the project site.

Fresh water from the natural environment around the oilfields is drawn for production and daily use. The water sources for each oilfield are as follows:



Oil Spill Prevention

CITIC Resources fully recognizes the impact of crude oil spills on the ecological environment is long-term and irreversible. The Group has integrated crude oil spill prevention measures into the core of its operations and management and is committed to implementing them. We require all our subsidiaries and joint ventures to have comprehensive and effective prevention and response plans in place to control and manage potential risks at the source and reduce the possibility of crude oil spills. In the unfortunate event of an accident, the Group will promptly activate an emergency response mechanism to minimize the impact on people, the environment, and the community, and take responsibility for it.

Tincy Group – Yuedong Oilfield

Precautionary Measures

1. Preventive measures for workover operations: Equipped with well control equipment that meets the requirements of well control specifications for offshore workover operations, the qualified testing unit conducts semi-annual testing on the anti-fountain group, while conducting annual testing on the supporting well control equipment. Based on the actual situation of Yuedong Oilfield, formulating well control rules and special emergency plans for blowout emergencies, and regularly carrying out on-site well-control risk hazard investigations and drills.
2. Preventive measures for oil production and gathering:
 - i. Carrying out inspection, monitoring, and maintenance of offshore oil and gas production facilities in a timely manner: conducting annual certification inspection on artificial islands and upper production facilities, and professional inspection and inspection on oil and gas storage devices such as oil storage tanks, separators and various boilers, and pressure vessels. Ensuring each production facility has a four-level emergency shutdown system of ESD-0, ESD-1, PSD, and USD.
 - ii. Conduct inspections and wall thickness measurements of the crude oil pipelines on the island. Promptly replace the pipelines with high leakage risks once discovered.
 - iii. Formulate emergency plans and conduct emergency drills to effectively respond to various emergencies.
 - iv. Organizing and carrying out balloon operations of the sea pipeline between islands, and the sea pipeline between the main island and the landing point at least twice a year, formulating detailed balloon plans before the balloon operations, and summarizing and evaluating the balloon operations to ensure the safe and orderly operation of the submarine pipeline.
3. Preventive measures of the engineering department: Entrusting qualified units to carry out inspections on the road condition and buried depth of the whole road of sea pipeline and submarine cables every 2 years, to solve the problem of bare vacancy of sea pipeline and submarine cables.

Real-time Monitoring

1. The on-site personnel will conduct the patrol inspection every 4 hours strictly in accordance with the inspection system, and conduct the patrol inspection every 2 hours on important areas to ensure production safety.
2. The offshore production platform and terminal arrange personnel to inspect, look out for, and keep records of the sea pipeline daily. The Production department also regularly sends vessels to carry out inspections according to the sea pipeline path to ensure the safety of the sea pipeline.

Oil Spill Management

1. Tincy Group formulated the “Tincy Group Energy Resources Limited Emergency Plan” and the “Yuedong Oilfield Offshore Oil Spill Emergency Plan” to support emergency management from the policy documents and procedure response perspectives, ensuring that emergency management is scientific and effective.
2. Tincy Group has also signed the agreement, “Emergency Rescue Procedures between PetroChina Liaohe Oilfield Company and Tincy Group Energy Resources Limited,” with Liaohe Jinma Oilfield Co., Ltd.
3. Tincy Group signs an oil spill emergency rescue agreement with entities that have offshore oil emergency rescue capabilities every year, to ensure the rescue can be conducted rapidly and effectively in the Yuedong Oilfield in the event of an emergency.
4. Tincy Group equips its production facilities with appropriate oil spill emergency response equipment.
5. Tincy Group has also entered into a long-term sea pipeline emergency closure and repair agreement with Offshore Oil Engineering Company to ensure timely and rapid maintenance when the sea pipeline is damaged in extreme circumstances.

CITIC Seram – Seram Block

Precautionary Measures

The crude oil storage tanks in the Seram Block are built according to the plan to prevent crude oil spills. The outer walls of these tanks are designed to prevent leaked crude oil spills from flowing out of the crude oil storage area.

Currently, CITIC Seram transports crude oil to oil tankers. CITIC Seram prevents oil spills by stress-testing loading hoses, inspecting and testing safety device pipelines, preparing oil spillage equipment, and conducting operator testing on the measurement system UPS and the backup generating units.

Oil Spill Management

CITIC Seram has set up a dedicated crude oil spill emergency response team to directly deal with any environmental incidents. The emergency response team is made up of personnel from the Production, Maintenance, and HSE Departments. The crude oil spill emergency response team conducts annual drills to train personnel and monitor the operational status of equipment. In addition, all emergency team members have been certified by the International Maritime Organization (IMO) for first and second-level certifications in accordance with the requirements of the Marine Transport Department.

In addition, CITIC Seram has a dedicated crude oil spill emergency equipment building in the cargo area of its terminal for the storage and maintenance of crude oil spill emergency equipment, as well as guardrails and security protection systems in the crude oil processing and storage area. Crude oil spill emergency equipment is inspected weekly to ensure it is in its best condition.

KBM – Karazhanbas Oilfield

Precautionary Measures

KBM formulates and implements the “Annual Oil Well Holes Inspection Plan”, “Annual Valves and Process Pipelines Inspection Plan”, “Annual Process Equipment Flaw Detection and Inspection Plan”, and “Annual Crude Oil Processing and Processing Workshops”, to prevent oil leakage at the related facilities of crude oil exploration, centralized transportation, and treatment process. The prevention of crude oil spills was carried out according to the annual work plan and related work processes in all workshops.

Oil Spill Management

KBM implements the “Regulations on Temporary Stacking, Storage, Counting, and Clearance of Production Waste in KBM Oilfield”. The requirements for crude oil spills and response are as follows:

- Employees and their leaders at the scene of crude oil spills and land contamination accidents are responsible for handling the crude oil spill incident;
- Punish the responsible personnel for the oil spills;
- All crude oil and oil product spill incidents must be recorded and signed for confirmation in accordance with the established format;
- In the event of a crude oil spill, the incident shall be responded to immediately, the waste generated by the accident must be recorded and handed over to the Environmental Protection Department, and the land at the accident site must be remediated;
- At the beginning of each month, the person responsible for accident registration and reporting in KBM is required to submit information about crude oil spills to the Environmental Protection Department.

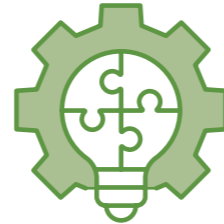


Climate Change

CITIC Resources fully understands the impact of climate change on oilfield operations and society, including the potential risks and opportunities it brings. CITIC Resources identifies and assesses the physical and transition risks related to climate change, identifies the risks closely related to CITIC Resources' oilfield operations, and formulates response strategies and measures accordingly to enhance its ability to cope with climate change. The Board and management also regularly identify and assess climate change risks and monitor the actual implementation of relevant measures and response actions.

Case Study: Attended the ESG for Climate Actions International Conference 2023

On 30-31 October 2023, CITIC Resources was invited to attend the ESG for Climate Actions International Conference 2023 jointly organized by the World Green Organisation (WGO) and the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). The conference invited global top experts to share and respond to climate change issues, including but not limited to pioneering technologies and issues such as carbon capture and carbon trading, which are of particular significance to the Group in formulating actions on climate change and addressing greenhouse gas emissions in the oil and gas extraction process. In the future, CITIC Resources will also seek to attend conferences related to ESG issues, hoping to learn the latest industry knowledge and accelerate the green transformation of our business.



The significant climate change risks and actions are as follows:

Significant Climate Risk Identification	Responding Actions
<p>Physical and transition risks: Significant changes in policy, law, technology, and markets, or sudden weather events, and the economic losses and negative impacts on businesses under long-term climate change, during the transition to a low-carbon economy</p>	
<p>CITIC Resources</p> <p>The domestic carbon trading market is gradually standardized, and carbon trading is getting more mature. As the government becomes more stringent in managing the carbon emissions of enterprises, policies of carbon rights may have an impact on the companies' costs and profits. In addition, extreme weather caused by climate change can pose dangers to oilfields, factories, or other property assets, affecting companies' operations. At the same time, governments around the world are increasingly strengthening climate-related regulations and monitoring, which may require companies to adjust their business models to adapt to these regulatory changes. If a company fails to adequately address climate issues and develop appropriate responses, it can lead to reputational impacts when extreme weather impacts the company's normal operations.</p>	<ul style="list-style-type: none"> Works to address risks including climate risks are carried out under the framework of the "CITIC Resources Holdings Limited Comprehensive Risk Management Measures". The Company's risk management organizational structure is based on the corporate governance and control structures, including "four levels" and "three lines of defense". The "four levels" refer to the Board and its Risk Management Committee, the management, the leading Risk Compliance Department, and its various risk management departments and subsidiaries. The "three lines of defense" refers to the various risk management departments and their subsidiaries are the first line of defense for risk management, and bear the first responsibility for the risks arising from their operation and management activities and risk disposal and resolution; The Risk Compliance Department acts as the second line of defense for risk management by formulating policies, standards, methods and mechanisms to oversee risk management. It supervises and guides the first line of defense to fulfill its responsibilities in identifying, assessing, measuring, monitoring, early warning, controlling, and mitigating risks. This prevents and controls major risks; The Audit Department is the third line of defense for risk management and supervises the risk management work in accordance with its responsibilities. Assess significant environmental, social, and governance risks, identify areas that need to be addressed and weakened, and correct them through increased investment and strengthened management Strengthen effective governance and oversight of ESG matters, and disclose relevant material matters as required. Conduct regular environmental audits and assessments to identify and correct problems in a timely manner. Establish an employee training system to raise employees' awareness of ESG issues and enhance their professional skills. Implement an environmental management system to systematically manage environmental issues and enhance the Company's green image and long-term competitiveness.

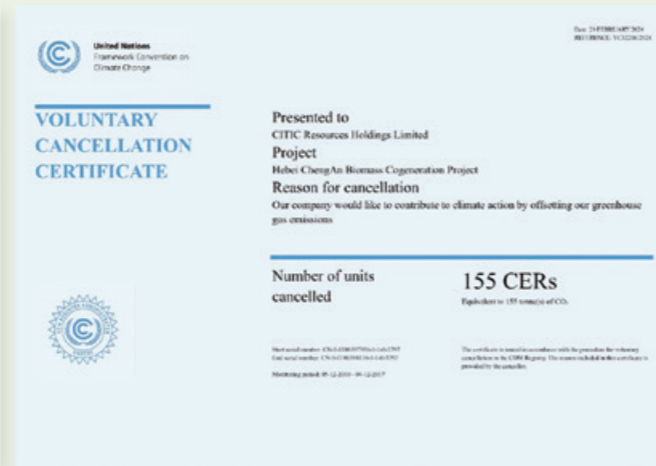


Significant Climate Risk Identification		Responding Actions
Chronic transition risk: Implementation of low-carbon policies or regulatory requirements, transition to a low-carbon economy, market volatility, peer competition		
Tincy Group	In response to climate change, the state is constantly updating or issuing more stringent laws, regulations, standards, and requirements	The company's management and HSE Department always pay attention to the laws, regulations, standards, and requirements continuously updated or issued by the national government authorities in response to climate change, and urge all departments of the company to formulate or improve the company's management system and methods in response to the updated laws and regulations, and strictly abide by and implement them in the process of production and operation. If there are non-compliances caused by updated regulations, standards, and requirements, the company's management will increase budgets to rectify non-conforming items and ensure the company's operations comply with national regulations, standards, and requirements.
CITIC Seram	<ul style="list-style-type: none"> Changing regulatory requirements: Evolving environmental regulations and policies aimed at reducing greenhouse gas emissions can increase compliance costs and impact operational costs. Market Volatility: Fluctuation in demand for oil and gas due to climate policies, technological advancement, or changes in consumer behavior can lead to market volatility. Increasing Operational Cost: Adapting infrastructure and operations to meet climate-related challenges such as extreme weather events or stricter environmental standards can lead to increasing operational costs. 	<ul style="list-style-type: none"> Obtain third-party professional advice, such as consulting a relevant advisor. Communicate with different stakeholders, including the government, the community, and non-governmental organizations. We are committed to ensuring our business meets environmental compliance, promoting green and low-carbon transformation, and focusing on energy-saving equipment and green-related qualifications in the industry. Establish a climate risk database, requiring each oilfield to identify climate risks and formulate corresponding countermeasures.

Significant Climate Risk Identification		Responding Actions
Acute physical risk: Extreme weather events are more frequent and more intense		
Yuedong Oilfield	Frequent extreme weather events cause significant damage to oil wells and supporting production facilities in offshore oilfields, which could result in environmental pollution incidents.	<ul style="list-style-type: none"> Cooperate with the meteorological department to predict the weather conditions in the production area in advance, take corresponding countermeasures for extreme weather, and be well prepared to prevent strong winds and heavy rains to avoid major damage or environmental pollution accidents. Implement a comprehensive health, safety, and environmental program to ensure the health and safety of employees and protect the environment.
Seram block	<ul style="list-style-type: none"> Heavy rainfall can cause pipeline landslides in production facility areas Prolonged heavy rainfall can lead to flooding and oil spills, affecting production facilities Strong winds can cause long-term physical damage to jetties 	<ul style="list-style-type: none"> Conduct regular inspections to identify potential damage. Regular maintenance of pipelines, drainage, and access road facilities. Installation of additional fixing systems for pipes and utility poles at sites with a high potential danger of landslide slope during the rainy season. Analyze the company's vulnerability and dependence on climatic factors such as floods and droughts. Adopt risk mapping, and cover physical environments and supply chains to understand the risks of the most remote locations. Develop an emergency response plan, and conduct training and drills to ensure a rapid and effective response in the event of an emergency.
Karazhanbas Oilfield	High temperatures in summer and cold waves in winter can affect site safety and production.	Strictly implement the operation process to ensure production safety under bad weather.
Chronic physical risk: Increase in average temperature/change in rainfall patterns		
Yuedong Oilfield	<ul style="list-style-type: none"> Continuous high temperatures may cause the working hours and work capacity of frontline operators to drop. Frequent rainfall can affect the safety of the working environment and cause the working time of personnel to drop. 	Given the high-temperature weather, each production facility prepares mung bean soup, cool drinks, and other heatstroke prevention and cooling drinks for the staff, arranges lunch breaks for the staff to avoid the high-temperature period of the day; conducts inspection and rain prevention work on the equipment before entering the raining season, arrange and complete urgent tasks in advance before the rain according to the weather forecast, and minimize the non-essential operation of employees under the rain of to ensure their safety.



Gold Standard Certificate of CERs



UNCDM Certificate of CERs

Besides implementing various related measures, we have also engaged Riskory Consultancy Limited, a third-party ESG consultant with carbon auditor and carbon emissions trader qualifications, to conduct a carbon audit and assist us in offsetting all our offices' carbon emissions, including offices in Hong Kong, Liaoning, Beijing, Australia and Indonesia. Through purchasing the Gold Standard and the United Nations Clean Development Mechanism (“UNCDM”) carbon offset projects in China and India, we reduce our greenhouse gas emissions and respond to China's 3060 “Dual Carbon” goal to achieve carbon peak in 2030 and carbon neutrality in 2060. The Gold Standard carbon offset project we have utilized is 60MW Wind Power Project in Karnataka, India, and the UNCDM carbon offset project is the Hebei ChengAn Biomass Cogeneration Project (Project ID: 3797). The Gold Standard carbon offset project we selected utilized wind energy to generate 140 GWh of clean electricity annually, which is equivalent to powering 32,500 households every year, reducing carbon emissions. The UNCDM carbon offset project we selected utilized local cotton straw to generate electricity and sold the generated electricity to the Hebei Provincial Power Grid to replace the capacity of coal-fired power plants. The project contributes to greenhouse gas emission reduction, comprehensive utilization of resources, environmental protection, and providing job opportunities and increasing income of residents. Certified Emission Reductions (CERs) from this project were also used for carbon neutrality at the 19th Asian Games Hangzhou 2022 and the 4th Asian Para Games Hangzhou 2022.

We will continue exploring opportunities made possible by technologies and products that could enable us to go forward on the path of sustainability within the business operation in the future.





Our Employees

The material issues – “Protection of Employee’s right”, Diversity and Equal Opportunities”, and “Employee training and development” are particularly addressed in this section of this Report.

CITIC Resources recognizes the crucial importance of exceptional talent to the development of the Group, serving as the driving force for continuous progress. Employees are considered valuable assets and wealth to the Group, and there is a commitment to continually optimize human resource policies to create a more competitive working environment and compensation and benefits system. This includes providing a safe and harmonious working environment, holding regular employee events and team-building activities, bringing employees at different levels together and improving employee mental health. At the same time, the Group cares about the career development and professional and technical enhancement of employees and has formulated systematic training policies and plans to assist employees to demonstrate their strengths in appropriate positions.

The Group firmly believes that by investing in its employees, the professional skills and efficiency of employees will be rewarded to the company, to continuously enhance the core competitiveness of the company.

In terms of employees’ rights and interests, the Group regularly reviews and updates its human resources policies to strive for a better working environment and rights. We strictly comply with laws and regulations on recruitment, compensation, promotion, termination, working hours, holidays, benefits, etc., and regularly review and ensure that our human resources policies comply with regulatory requirements. The Group has formulated and implemented systems such as the “Employee Handbook”, the “Employee Turnover Management System of CITIC Resources Headquarters”, the “Employee Care Plan” and the “Employee Rental Tax Deduction and Exemption Plan”, which clarify the recruitment, remuneration, promotion, termination, benefits, bad weather working arrangement, employee codes, business codes, equal opportunity policies, other employment policies, and occupational safety and health policies. These clear right of the employees, while the codes of practice provide a reference for subsidiaries and joint ventures to incorporate local regulations and develop a set of applicable employment policies.

GRAND ACE 10

PANAMA

IMO 9449877

Policies and Benefits

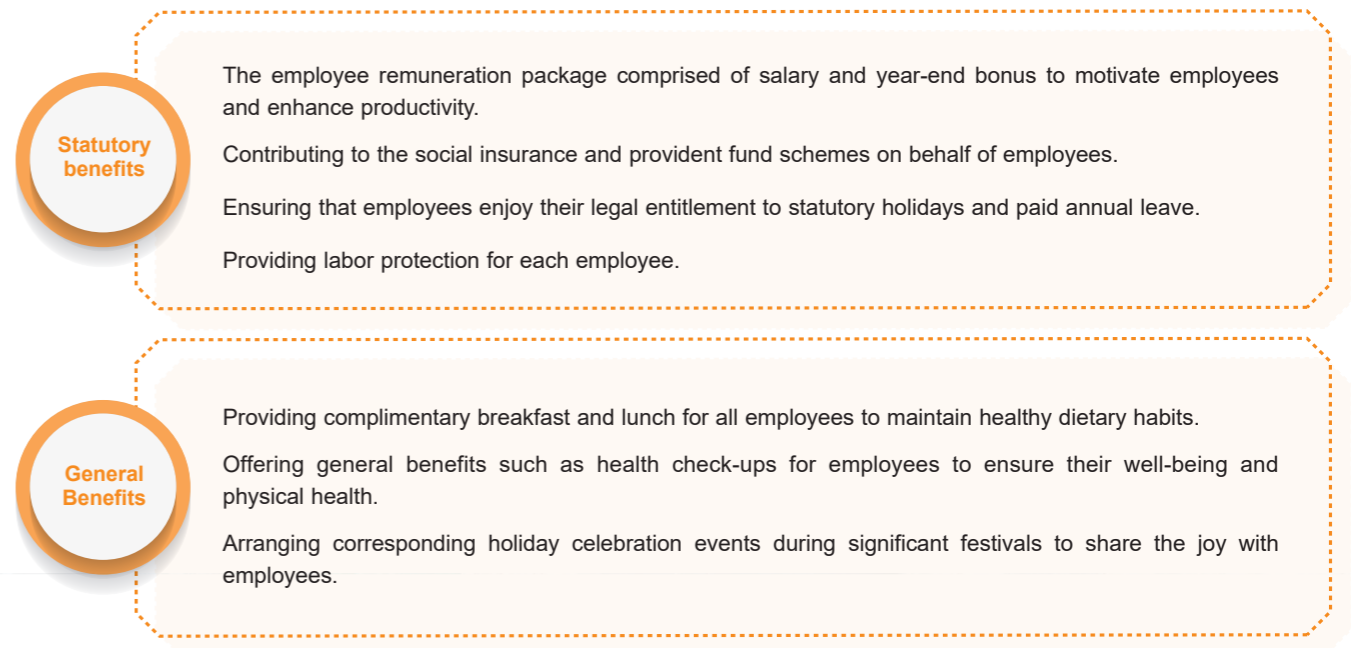
Employees are valuable assets to the Company, and CITIC Resources understands that competitive compensation and employment policies can help retain top talent. Therefore, the Group regularly reviews its employee welfare policies to ensure that they are in sync with the market and the industry, and that the remuneration policy is attractive and motivating. Each employee’s remuneration will be based on their individual knowledge, skills, time, responsibilities and performance, as well as the Group’s annual performance and profitability. In addition to paying attention to the legitimate rights and interests of employees, the Group is also willing to listen to their feedback and consider incorporating their opinions in relevant policies. This open feedback mechanism helps to create a collaborative and trusting work environment where employees feel valued for their contributions, while helping to continuously improve the overall performance of the organization. During the Reporting Period, the Human Resources and Administration Department of the Group revised the management manual of CITIC Resources Hong Kong Office to clearly set out the benefits of public holidays and labor holidays, and issued the “CITIC Resources Recruitment and Recruitment Management Measures” and “Revised Employee Handbook for Hong Kong Office” to improve the relevant regulations and carry out relevant management more effectively.

Employees are at the core of the company’s value creation, so we focus on promoting the long-term career development of our employees to ensure their rights and interests, and the following is the Group’s welfare system:



Tincy Group – Yuedong Oilfield

Tincy Group places a high emphasis on the rights and welfare of its employees. The group has implemented comprehensive compensation, benefits, and employment policies in accordance with the group’s regulations to ensure that processes involving recruitment, termination, promotion, and other aspects of human resource management comply with relevant laws and regulations. In addition to statutory benefits, Tincy Group provides general employee benefits as an expression of care and respect for its employees. These efforts contribute to enhancing employee efficiency and motivation, thereby fostering the long-term stability and development of the company.



Tincy Group has established a joint management committee, which holds meetings at the beginning of each year to identify job vacancies based on actual production and operation conditions, and then conducts corresponding recruitment. Being a market participant of energy industry, Tincy Group requires a high degree of matching between professional quality and background of the employees, thus recruitment is primarily made through the specialized oil talent portal or internal referral.

In addition, the company complies with the relevant provisions of the Labor Contract Law of the People’s Republic of China and the Labor Law of the People’s Republic of China in terms of recruitment, dismissal and promotion in human resource management. The employed personnel and the company will sign an “Employment Contract” or “Service Contract” in accordance with the legal framework and the mutual consent of both parties.



CITIC Seram – Seram Block

CITIC Seram adheres to the group’s regulations, Indonesian labor laws, and relevant current regulations to formulate company rules for human resources management. In order to clearly define the rights and obligations of the company and employees, CITIC Seram has developed and implemented the “CSEL Corporate Policy 2020-2022”. The policy clearly outlines employee compensation, benefits, and employment policies, including but not limited to aspects such as employment relationships, recruitment, employee working hours, overtime policies, statutory holidays, paid annual leave, special leave allowances, occupational health and safety, compensation and benefits, and medical assistance. This is to ensure a healthy and amicable working relationship between the employer and employees.

In terms of employee benefits, CITIC Seram places a strong emphasis on the physical well-being of its employees. The company provides medical insurance to safeguard the health of employees. CITIC Seram also pays attention to the mental health of its employees by organizing a series of sports activities after working hours, providing opportunities for teambuilding and communication, while also allowing employees to cultivate positive interests for the promotion of overall well-being.

KBM – Karazhanbas Oilfield

KBM places a high value on the rights of each employee, strictly adhering to the policies of the group and relevant local employment regulations in Kazakhstan. The company has developed a comprehensive system, including details on remuneration and benefits. To motivate employees, KBM establish key performance indicators for the management annually, creating a remuneration structure with incentive mechanisms. At the end of the year, the Board determines bonus of the management based on the completion of these indicators. General employees also benefit from KBM’s diverse welfare package, including holiday benefits, paid leave, labor insurance, and health medical insurance. KBM also prioritizes the physical and mental health of its employees, emphasizing cohesive interactions among them. The company is committed to creating a warm and inclusive family atmosphere. To achieve this, KBM organizes occasional employee activities such as dinners, group outings, etc., and encourages active participation. By establishing a competitive welfare policy and fostering a positive work environment, KBM believes its employment policies can retain employees, providing them with opportunities for growth and contributing to the sustainable development of the company.

In addition, in 2022, KBM actively engaged in continuous communication with representatives of labour union and signed a supplementary agreement to the collective labor contract. The supplementary terms of the agreement aim to enhance the working conditions of employees, safeguard their rights, improve social welfare and security, and strengthen support for employees in areas such as skills training, medical care, and rehabilitation. Following the customary practice, KBM reviews the group’s labor contract every three years, engaging in discussions and adjustments as needed, and subsequently re-signs the contract.



Healthcare

KBM places a strong emphasis on the well-being of its employees and is committed to providing high-quality, modern healthcare services to ensure the health and well-being of its workforce. To achieve this, KBM has signed a medical service contract with a local comprehensive hospital equipped with advanced medical technology and facilities. Through collaborative efforts with the medical institution, specialized appointments with experts in neurology, endocrinology, oncology, and other fields have been arranged to effectively address the medical needs of employees.

Furthermore, to facilitate medical care for employees and their families, KBM has established dedicated medical facilities in villages where employees reside prominently. These facilities aim to provide more convenient healthcare services, ensuring that employees can easily access professional medical care. The high-quality healthcare benefits mentioned above are also extended to employees of external contracted companies working in the oilfields. This reflects the company’s concern for the healthcare well-being of all employees and reinforces KBM’s proactive role in social responsibility and health management.



The development of physical and mental well-being

KBM places a strong emphasis on the physical and mental well-being of its employees, actively promoting a healthy lifestyle. In the monthly internal newsletter issued by KBM, dedicated columns cover topics such as balanced nutrition, exercise and fitness, heatstroke prevention, dietary considerations during Ramadan, and articles related to epidemic prevention and control. This allows employees to stay informed and engaged in health-related discussions.

In order to improve the eye health of employees, KBM has installed software for regular eye exercises on the office computers of employees in the city to encourage employees to pay attention to vision care. In addition, KBM has installed a blood pressure monitoring device in the office corridor so that employees can monitor their physical condition at any time. These initiatives ensure that the basic physiological needs of employees are effectively addressed and managed.

In addition, the company often organizes various sports and cultural activities to enrich the lives of employees and improve their physical fitness and health level. These measures demonstrate KBM’s commitment to the well-being of all employees and help them build a sense of belonging to the company.



Accommodation

In terms of accommodation, KBM actively assists employees in solving housing problems and helping employees to buy homes and start families. At present, it has signed a memorandum of cooperation with two local real estate companies, offering a discount of 15%-20%, so that KBM employees can purchase new houses at a more favorable price and realize their dream of owning a home. This initiative provides tangible financial support to employees and reinforces KBM’s commitment to employee well-being.

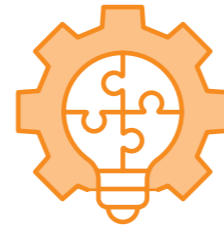
In addition, KBM has entered into a partnership agreement with a local bank to provide a preferential housing loan of 5% per annum for employees under the age of 29 and those with multiple children (4-5 or more minor children). This loan offer further supports employees in achieving their home ownership goals and provides substantial financial assistance.

KBM will continue to work to expand these support programs to help employees start a home.

Case Study: Employee secured the Kettlebell World Championship title for the third time

In addition to professional skills, KBM values the physical health and recreational activities of its employees, actively organizing various sports and cultural events that allow employees to develop their talents outside of work. Notably, in the “2023 World Kettlebell Championships” organized by the International Union of Kettlebell Lifting, KBM’s oilfield operator and vehicle transport department driver, Akhmetov, has achieved outstanding results, securing the championship for three consecutive years. Furthermore, Esbolaev, our mechanic in the vehicle transport department, has obtained the title of Kazakhstan Sambo Wrestling Champion, showcasing the exceptional athleticism and strength of the company’s employees in the field of sports.

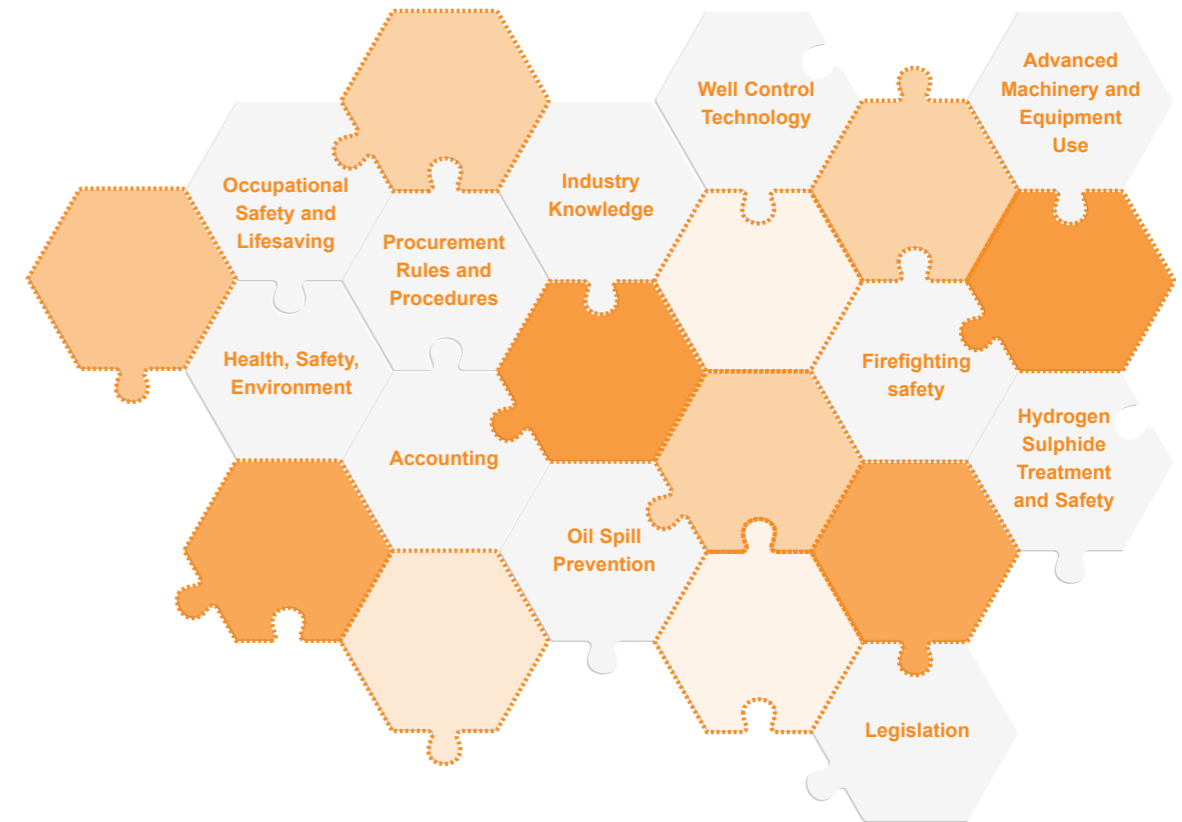
This not only reflects the company’s profound care for the physical and mental well-being of its employees but also sets exemplary standards for others, inspiring them to actively participate in sports and adopt a healthy lifestyle. KBM will continue to promote this culture of health and sports, ensuring that employees not only excel in their careers but also maintain robust physical health and a positive attitude toward life.



Training and Development

The professional skills and hard work of our employees are crucial to the long-term and stable development of the Group, and to this end, CITIC Resources actively invests resources in talents and is committed to building and improving the talent training system, including the performance appraisal mechanism and internal rotation system. The performance appraisal mechanism incorporates employees’ performance into the appraisal criteria and serves as the basis for salary and rank adjustments so that employees’ performance is fully recognized and quantified so that employees can be more actively engaged in production and enhance the Group’s production capacity. If employees find themselves more suitable for other job positions, the Group has also set up an internal job rotation system, through which employees can be exposed to work in different fields and departments, learn other professional skills and knowledge, have an in-depth understanding of the company’s operation and management, improve their ability level, and have more opportunities and space for career development in the future. Through the enhancement of employees’ capabilities, employees can realize their own value, and the Group believes that employees can continue to inject new impetus and contribute to the sustainable development of the enterprise.

Training content includes, but is not limited to:



CITIC Resources

Employees are indispensable part for the long-term operation of a company, and CITIC Resources places great emphasis on the professional training and growth of its workforce. The company has developed a comprehensive training system aimed at enhancing employee capabilities and facilitating their career development. To encourage employees to pursue further education and training outside working hours, CITIC Resources has established the “Employee Training and Development Administrative Measures”. Under this policy, if employees participate in training courses organized by recognized institutions, the group provides an annual training allowance of up to HKD 5,000 to support their continuous education. Additionally, the employee training and development program offers opportunities for participation in industry seminars and professional training courses, allowing employees to stay abreast of the latest industry trends and skills, thus enhancing their competitiveness. CITIC Resources believes that policies assist in continually enriching employees’ knowledge, providing them with more learning opportunities.



The group also provides on-the-job training, offering comprehensive training and guidance to employees with limited work experience. Experienced employees are appointed as mentors to facilitate learning through practical work experience, aiming to enhance the employee’s job skills.

Tincy Group – Yuedong Oilfield

To meet regulatory requirements, production needs, and enhance the professional capabilities of employees, Tincy Group provide tailored training programs to employees according to their position, to enable them to thoroughly understand the actual technical requirements of each department.

As the global pandemic gradually comes under control, Tincy Group is actively organizing more comprehensive occupational training. Through various means, the company is offering employees broader and deeper learning opportunities. Tincy Group believes that through these training initiatives, employees will be better equipped to tackle the challenges the company faces, while injecting more innovation and efficiency into the company's development.



CITIC Seram – Seram block

CITIC Seram prioritizes budget allocation to provide continuous and comprehensive training for employees. This includes mandatory certification programs, participation in seminars, and engagement with government and other relevant stakeholders to ensure employees are well-equipped for their roles. Additionally, CITIC Seram collaborates with various organizations to offer diverse training courses, expanding employees' skills and knowledge, and broadening their perspectives and career development opportunities.

During the Reporting Period, CITIC Seram has provided a number of trainings, including Electrical Engineering Certification, Level 2 I&C and Calibration Technician Certification, Lift Operator Certification, Production Operation Certification (OPM), Crane Operator Certification, HSE O&S Supervisor Certification, H2S Certification, I&C and Calibration Technician Level 1 Certification, Indonesia Human Resources Summit 2023, Internal Auditor (IA) SPS Code Certification, Air Pollution Control Officer Certification, PSCs and Business Law, and Trainer Certification, among others.

KBM – Karazhanbas Oilfield

KBM has consistently placed a high emphasis on talent cultivation and development. As the first batch of companies in Kazakhstan to successfully implement an internal rotation policy, KBM has steadfastly adhered to this policy. This approach helps foster versatile talents within the company with practical operational experience, aiming to enable employees to showcase their potential across different roles. It maximizes the development of diverse skills in employees while facilitating personnel substitution and rotation as needed. Since the launch of the policy, numerous KBM employees have experienced significant benefits in their routine duties and career development.

The internal rotation policy not only contributes to individual professional growth but also enhances cooperation and understanding within the company. Through cross-departmental interactions, employees gain in-depth insights into the overall operations of the company, cultivating a holistic perspective. Additionally, it broadens professional networks, fostering the exchange and sharing of knowledge.

KBM's unwavering commitment to this policy reflects the company's dedication to the growth and development of its employees. By providing rich learning opportunities, KBM not only motivates employees to continually challenge themselves but also encourages them to expand their professional horizons, becoming interdisciplinary talents. This commitment lays a solid foundation for both the sustainable development of the company and the career path of its employees.



Case Study: Oilfield Production Facility Trainee Internship Program

In addition to focusing on the training of employees' professional skills, KBM also cooperates with the Caspian University of Technology and Engineering to explore and cultivate future professionals. KBM signed a memorandum of cooperation with the university and provided 40 fourth-year students with strong professionalism with 6-8 months of internship opportunities, allowing them to practice and experience oilfield production facilities. KBM has developed a special internship program for these students and assigned dedicated mentors to introduce and teach them about the production process and practical operation skills. After the internship, KBM organized examination tests and gave priority to outstanding candidates. In addition, this combination of theory and practice not only provides a more accurate talent recruitment assessment method, but also provides internship positions and employment opportunities for educational institutions and students. KBM bears all the expenses of these students during the internship period.



Case Study: Training and Career Development

From 18 to 19 May 2023, KBM organized a large-scale event called "Youth Expert Day." Over 100 young experts under the age of 35 from various departments and the oilfield participated in this two-day event. The activities included team building, youth forums, training on company development, and personal career growth. External experts were also invited to provide training on strategic development, financial analysis and decision-making, emotional intelligence, and teamwork, contributing to the long-term talent development of the company and creating conditions for employees' professional growth.



Case Study: Employee Training

On 16 October 2023, KBM invited renowned local trainers from the oil and gas industry to conduct training sessions for department heads. The training covered topics such as strategic planning, efficient organizational work, ethical values, implementation of principles, and effective time management. This initiative aimed to enhance employees' professional skills and competitiveness while focusing on important aspects of strategic management and ethical conduct within the oil and gas sector.



Respect for Rights

CITIC Resources respects the rights of every employee and is committed to creating a diverse and inclusive work environment while ensuring fair and equitable treatment for all employees. The Group strictly adheres to employment-related laws and regulations in each operational location, ensuring that all employees legally enjoy various rights and receive fair and just treatment. The use of child labor or forced labor is strictly prohibited. Special attention is given to the rights of female employees and minority groups, and efforts are made to protect the rights of employees with different nationalities, races, genders, and cultural backgrounds. These policies also apply to subsidiaries and joint venture of the Group, including Tincy Group, CITIC Seram, and KBM, and their respective oilfield blocks. The following highlights specific areas of focus for subsidiaries:

Preventing Child Labour	Prohibiting Forced Labour	Collective Bargaining
<ul style="list-style-type: none"> The Group actively verifies the identity documents of applicants during the recruitment and hiring process to ensure that applicants meet the legally required working age and to prevent the employment of child labor. If any violation of relevant laws and regulation is identified, the concerned department will report to the management in accordance with the internal policies of the Group. Following a detailed investigation, corrective measures will be implemented based on the investigation results to address any non-compliance issues or situations. 	<ul style="list-style-type: none"> The Group respects the personal freedom and leave rights of its employees, clearly specifying the daily working hours for employees, and strictly prohibits forced labor. If any violation of relevant laws and regulations is identified, the concerned department will report to the management in accordance with the internal policies of the Group. Following a detailed investigation, corrective measures will be implemented based on the investigation results to address any non-compliance issues or situations. 	<ul style="list-style-type: none"> The Group respects the right of employees to engage in collective bargaining and strictly adheres to relevant laws, regulations, and systems in each operational location. Through collective bargaining, the Group enhances communication and collaboration with employees, fostering stable labor relations, and advancing the achievement of the Group's goals and operational efficiency.

CITIC Resources believes that a diverse and inclusive work environment not only enhances employee job satisfaction but also inspires their creativity and innovative thinking. This culture enables employees to unleash their full potential in an environment filled with respect and inclusivity. Additionally, diversity contributes to a better understanding of and responsiveness to customer needs, ultimately enhancing the company's competitiveness and business outcomes.

CITIC Resources remains committed to fostering a diverse and equal employment environment, viewing it as a pledge to employees and a critical factor in achieving the company's long-term sustainability. Through dedicated efforts, we are confident in building a more vibrant, harmonious, and inclusive corporate culture.

CITIC Resources

The Group is committed to integrating the principles of anti-discrimination, equal opportunity and personal privacy into its daily operations, strictly ensuring the privacy and security of employees and personal information, prohibiting any disregard and abuse of human rights, and respecting the rights of employees. By formulating policies and continuously monitoring their effectiveness, and regularly reviewing the effectiveness of policies, the Group has made the values of diversity, inclusion and mutual respect deeply imprinted in the way employees deal with others.

- Anti-discrimination**

In recruitment, determination of employment terms, and handling any employment matters, the company adheres to the principle of equal opportunities. It ensures that everyone, regardless of gender, marital status, race, religion, etc., is treated equally and is not subjected to any form of discrimination.
- Equal Opportunity**

To address disruptive behavior in the office area, the company has established a comprehensive complaint procedure. Upon receiving a complaint, the company conducts an initial assessment, followed by a detailed investigation. Based on the investigation results, appropriate actions or disciplinary measures will be taken. The company is committed to handling all employee complaints with thoroughness and diligence.
- Personal Privacy**

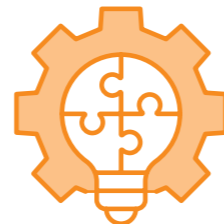
The company commits to handling all employee personal data in accordance with applicable laws and regulations. It ensures that the data requested is legal, accurate, and necessary. Additionally, the company treats employee personal information as confidential and only uses it for purposes related to employment, benefits administration, and any other lawful purposes agreed upon by the company and the employee or as required by law.

KBM – Karazhanbas Oilfield

In order to safeguard legitimate interest, expand the scope of mediation, and reduce conflicts, KBM has established a Dispute Mediation Room with the support of the Mangistau State Court and the local International Mediation Center Association. This measure aligns with the national policy proposed by the Government of Kazakhstan. KBM aims to enhance the mediation mechanism, actively utilize modern dispute resolution methods, address conflicts between labor and management, and simultaneously improve the mediation skills and qualities of its employees.

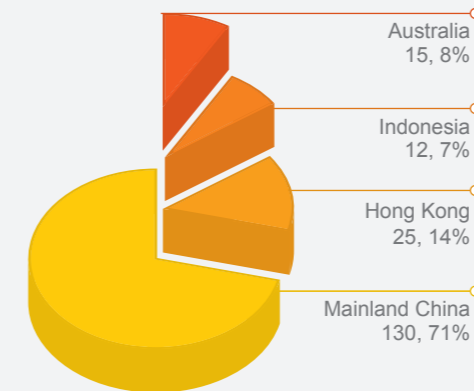
Case Study: Conciliation Committee Training

On 9, 10 November 2023, the KBM Mediation Committee held a training session on the theme of "Labour Disputes, Dispute Resolution Methods and Negotiation Skills of the Mediation Committee", which was attended by more than 30 representatives from employees, labour unions and workshops. Topics of training included labor dispute resolution, analysis of applicable legal provisions, negotiation skills, etc. In order to implement the policy of expanding the scope of mediation, reducing conflicts, safeguarding legitimate rights and interests, improving the social atmosphere and supporting the state policy of Kazakhstan, KBM has opened a dispute mediation room with the support of the Mangistau State Court and the local International Mediation Center Association. This is KBM's active attempt to use a modern dispute mediation mechanism to resolve the conflicts between labor and management in its daily operations.

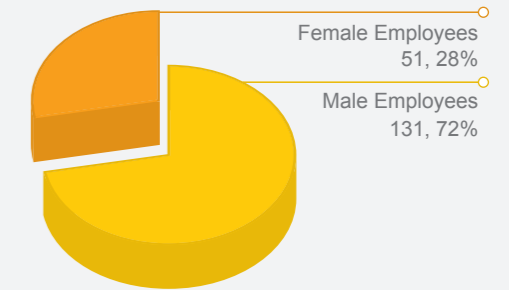


As at the end of the Reporting Period, the Group had 182 number of employees. The following is the details of the Group's employees:

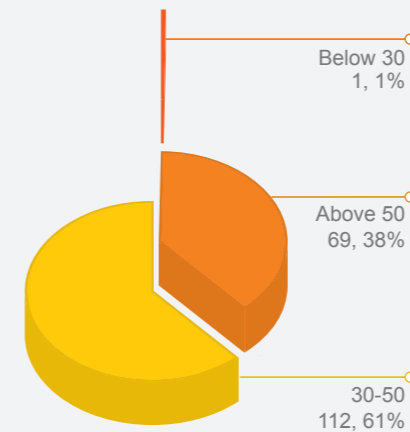
The Number and Percentage of Employees by Region



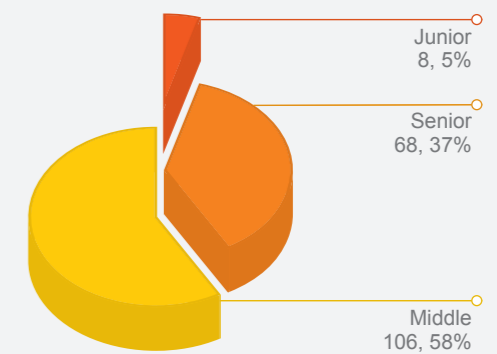
The Number and Percentage of Employees by Gender



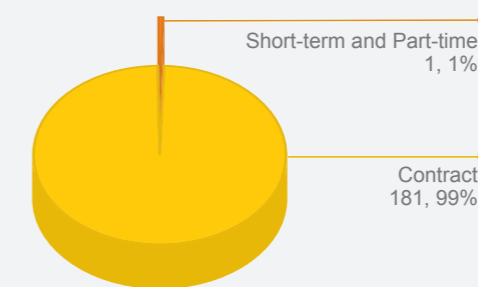
The Number and Percentage of Employees by Age



The Number and Percentage of Employees by Employment Category



The Number and Percentage of Employees by Employment Type





Our Operations

The material issues – “Occupational Health and Safety”, “Business Ethics and Anti-Corruption”, “Risk Management and Compliance Operation”, “Product and Service Quality” and “Supply Chain Management” are particularly responded to in this section of Report.

As a responsible enterprise, CITIC Resources always takes the safety and health of its employees as its top priority, actively implements HSE management processes and systems, continuously improves the safety awareness of all employees, and aims to eliminate all accidents. In order to achieve the goal of safe operation, the Group fully complies with the laws and regulations of the places where it operates, and strengthens compliance management by formulating relevant policies to ensure that the level of operational safety is above compliance.

In terms of integrity practices, the Group adheres to the concept of honesty and holds the highest ethical standards of conduct for the Company, employees and partners in accordance with market practices. The Group’s internal code of conduct requires employees to strictly follow the company’s policies in the conduct of business activities to ensure fair competition and compliant operations. In terms of suppliers, we are committed to improving the management of the supply chain and strengthening the ability to identify and respond to supply chain risks, so as to establish a stable cooperative relationship based on long-term mutual trust and cooperation to ensure the sustainability of the supply chain.

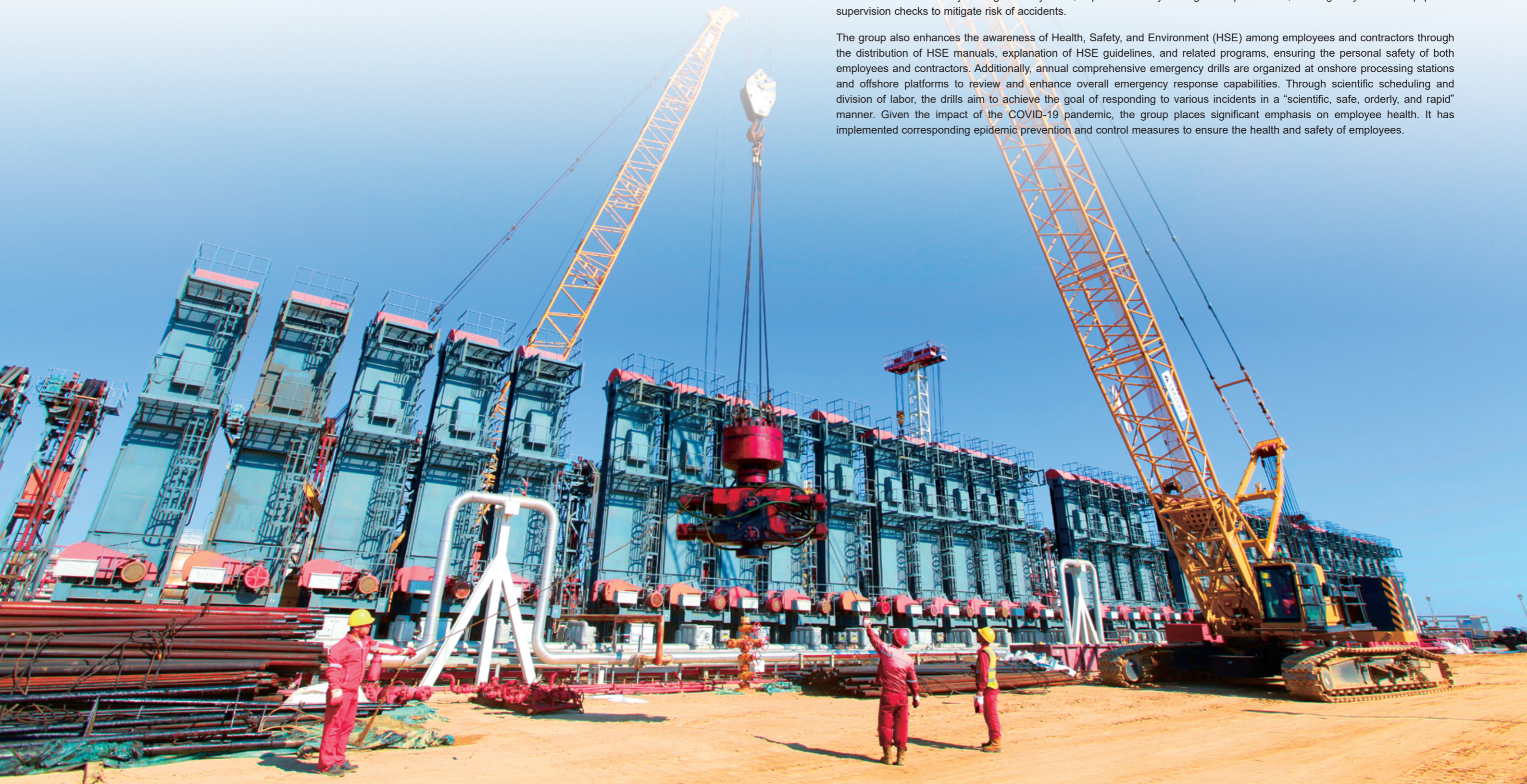
In terms of daily operation and management, the Group attaches great importance to intellectual property rights, quality control, information security and privacy, and abides by relevant laws and regulations. The Group will review existing intellectual property rights from time to time to protect the intellectual property rights of our own and others. If any infringement is discovered, we will seek legal opinions. When selling and transporting crude oil products, the relevant parties are required to sign confidentiality agreements to ensure the security of confidential data or information. We respect the data and privacy of the parties concerned and strictly prohibit the disclosure of relevant data and information to any third party unless the written consent of both parties is obtained. The Group’s subsidiaries will directly supervise matters relating to consumer data protection, information security and the implementation of confidentiality policies. Relevant policies and procedures will be reviewed and updated if necessary. If any incident related to consumer data protection and information security is identified, the respective subsidiaries will conduct an investigation. They will then determine whether updates to policies and procedures are necessary to prevent the recurrence of such issues.

As the Group is principally engaged in oil and gas exploration and development, which is in a business-to-business model, product recall, advertising and labeling is not a major concern to the Group’s main business.

Health and Safety

CITIC Resources places a paramount emphasis on the health and safety of its employees, following the work policy of "Safety First, Prevention-oriented, Comprehensive Governance." To realize the philosophy that "all accidents can be prevented and avoided," the company is committed to continually improving safety management, strengthening risk management, and implementing process controls. To establish clear responsibilities for health and safety, CITIC Resources is actively promoting a sense of responsibility with the principle of "the main person in-charge should take the responsibility." It rigorously demands each oilfield to adhere to safety management systems, implement safety management procedures, and regularly conduct equipment supervision checks to mitigate risk of accidents.

The group also enhances the awareness of Health, Safety, and Environment (HSE) among employees and contractors through the distribution of HSE manuals, explanation of HSE guidelines, and related programs, ensuring the personal safety of both employees and contractors. Additionally, annual comprehensive emergency drills are organized at onshore processing stations and offshore platforms to review and enhance overall emergency response capabilities. Through scientific scheduling and division of labor, the drills aim to achieve the goal of responding to various incidents in a "scientific, safe, orderly, and rapid" manner. Given the impact of the COVID-19 pandemic, the group places significant emphasis on employee health. It has implemented corresponding epidemic prevention and control measures to ensure the health and safety of employees.



Preventing Safety Accidents

Multi-party Participation

Since contractors are exposed to the same health and safety risks as the Group's employees when working at each operating locations, the Group's HSE policies and systems cover all the contractors, which means they are managed, restricted and protected by the HSE policies and systems, to ensure that there are no accidents caused by improper operation of the contractors or the Group's employees.

Emergencies

In response to emergencies in oilfields, the Group also continuously improves emergency management and prevention mechanisms in consideration of the types of emergencies that may occur, and enhances employees' and contractors' capacities of response for potential hazards in workplaces by giving work instructions, warning instructions and training on specific safety topics.

Personal Protection

The Group requires employees and other on-site employee to wear qualified personal protective equipment. Especially when specific high-risk works are engaged, the employees and other on-site employees must wear designated labour protective gear and safety equipment to protect their personal safety.

Equipment Maintenance

The Group requests all oilfields to conduct in-depth control and risk assessment of key equipment and facilities, identify, prevent and control hidden dangers in a timely manner. The necessary security and detection systems have been installed in the production equipment or facilities in every oilfields. When there is failure in pressure controls, temperature controls, liquid level controls, safety valves, fire protection systems, or gas detection systems, alarm signals are issued immediately to alert operators to pay attention to their personal safety and to replace faulty parts in a timely manner.

Tincy Group – Yuedong Oilfield

Operational Safety Management

In order to ensure the safety of operations, Tincy Group continuously improves the HSE management system and ensures that the management system is continuously implemented. The management system outlines the management methods for creating a safe and healthy working environment, such as "Occupational Health Management Procedures", the "Personnel Health Management Regulations", the "Personal Protective Equipment Management Regulations", the "Health and Safety Environment Inspection Regulations", and the "Hidden Danger Reporting and Rectification Management Regulations". Among them, the "Occupational Health Management Procedures" stipulates that the Group shall continuously monitor the health status of employees through regular or irregular medical health examinations and collection of health-related information according to the occupational contact history of employees, analyze the relationship between employees' health changes and occupational disease hazards they are exposed to, and provide health examination and data analysis results reports to all departments and employees themselves in a timely manner, so as to take preventive measures in time to protect the health of employees. In addition, Tincy Group strictly abides by the relevant provisions of the "Production Safety Law of the People's Republic of China" to ensure the safety of daily operations.

During the Reporting Period, Tincy Group adhered to the mechanism of daily inspection, comprehensive inspection, special inspection, monthly inspection and departmental inspection, strengthened the investigation and management of hidden dangers through various inspections, and achieved immediate investigation and reform, optimized measures, eliminated potential safety hazards, reduced safety and environmental protection risks in the working environment, and effectively prevented safety and environmental protection accidents.



- During the Reporting Period, Tincy Group discovered certain health and safety issues during inspection, the majority of which has been rectified. It will continue to monitor and actively seek solution to the remaining issues.
- In accordance with the requirements of the Ministry of Emergency Management's 2023 "Work Plan for Special Treatment of Offshore Oil Safety Risks", and the inspection rules of the "Guidelines for Safety Risk Assessment of Offshore Oil Facilities (Fixed Platform)", the company organized a safety risk self-assessment of each production facility, and all 7 inspected facilities have been rectified. Formulated and implemented the management requirements of "one field, one policy";
- In accordance with the "Measures for the Responsibility System of Safety Guarantee with Personnel On Duty in Offshore Oil and Gas Enterprises (Trial)", the roles of onshore and offshore leaders for the Yuedong Oilfield have been clearly defined and documented. The implementation measures for the Responsibility System of Safety Guarantee with Personnel On Duty have been organized and established. This includes defining safety responsibilities and assessment criteria, displaying safety commitment notice boards on-site, guiding and supervising responsible individuals to fulfill their duties, conducting assessments of those in charge of safety guarantees, and integrating assessment results into the overall safety performance management;
- Cooperated with the Emergency Management Department of the China Natural Petroleum Corporation (CNPC) Division to carry out a special inspection on offshore oil safety risks. The issues identified have been fully rectified;
- Yuedong Oilfield took the implementation of CITIC Group and CITIC Resources work plan as an opportunity to promote the normalization of investigation and rectification work and establish a systematic safety production supervision and inspection system;
- The concept of "treating hidden dangers as accidents" and the principle that "safety in production is the top priority" have been firmly established. A comprehensive mobilization and systematic planning have been carried out for the identification and rectification of hidden dangers. A six-month action plan for identifying and rectifying hidden dangers has been formulated, implementing a model of hidden danger identification led by business leaders, supported by professional engineers, and supervised by management;
- On the technical side, aiming to cover the entire production process and facilities, a "Hidden Danger Inspection Guide" has been developed, consisting of 7 major sections, 33 categories of inspection items, and 171 inspection contents. A review has been conducted on 65 relevant regulations and standards. In conjunction with this, a complementary "HSE Award and Punishment Management Rules" has been formulated, providing detailed specifications for 10 categories and 88 penalty behaviors, classified into 4 levels.
- Since the initiation of the hidden danger inspection campaign, the "safety first" awareness has permeated down to frontline employees, fostering a work atmosphere where "safety production takes precedence over everything". Employees rigorously adhere to operational norms, firmly eliminating any non-compliant practices to ensure personal safety. Through the systematic approach of "identifying risks, rectifying deficiencies, and timely rectification of hidden dangers," maritime petroleum operations have been safeguarded, guaranteeing safety.

Prevention and Management of Occupational Diseases

Tincy Group has identified more than 20 factors that pose occupational risks or affect the health and safety of employees, including but not limited to carbon monoxide, nitrogen dioxide, ozone and metal fumes. In order to prevent employees from being affected by occupational diseases, Tincy Group has taken the following measures:

Conducting an assessment of the current status of occupational disease hazards has further enhanced the safety of the employees' working environment. Monitoring occupational disease hazard factors provides a basis for improving the occupational health environment.

Providing pre-duty occupational health training for employees engaged in occupational hazard operations involves disseminating relevant legal and occupational health knowledge. Employees are informed about the occupational disease hazard factors present in the workplace, including carbon monoxide, toluene, ozone, etc. This includes potential health hazards and preventive measures. The training covers regulations, operating procedures, emergency rescue measures, correct usage, and maintenance methods of occupational disease prevention systems, protective facilities, and personal protective equipment.

The production site is equipped with necessary occupational disease hazard protection facilities that operate synchronously with production equipment. In workplaces where acute occupational injuries may occur due to toxicity or hazards, alarm devices are installed. The site is equipped with first aid supplies, flushing equipment, emergency evacuation routes, and necessary containment areas.

The expenses for occupational disease prevention and control management are included in the cost budget. This covers the prevention and control of occupational disease hazards, the allocation and maintenance of protective facilities, the allocation and maintenance of personal protective equipment, the detection and assessment of occupational disease hazards, occupational health surveillance, occupational health education and training, diagnosis and management of occupational diseases, and workers' compensation insurance.

To ensure the safety of employees, qualified personal protective equipment (PPE) is provided, including earplugs, earmuffs, AN2 level safety shoes, safety helmets, anti-static work uniforms, and UV-resistant safety glasses.

At the operation site, Safety gear and items such as hydrogen sulfide positive pressure respirators, life jackets, lifeboats, life rafts, and emergency crew are provided. Medical rooms and doctors are stationed on each island to provide medical treatment for on-site personnel in case of illness or emergencies.

Training programs have been conducted on topics such as hydrogen sulfide prevention, "Four-Certificates" for offshore personnel, maritime traffic safety, and basic HSE knowledge. These training initiatives ensure that employees in various positions possess the necessary health, safety, and environmental knowledge relevant to their work.

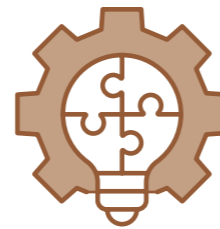
Emergency Drills

To ensure prompt respond during incidents, Tincy Group has formulated a series of policies such as “Emergency Management Procedures” and “Emergency Drill Management Regulations” to conduct various emergency drills for contractors involved in oil extraction and well maintenance operations at each production facility, strictly following the regulations outlined in the offshore oil safety management guidelines.

During the Reporting Period, Tincy Group organized contractors engaged in oil extraction and well maintenance operations at various production facilities to conduct emergency drills in strict accordance with the regulations outlined in the offshore oil safety management guidelines. According to statistics, from January to November of this year, the construction parties at each production facility conducted a total of 652 drills, covering scenarios such as fire emergencies, platform abandonment, well control, personnel rescue from water, hydrogen sulfide response, oil spills, and storm surge preparedness. The drills involved the participation of 12,227 individuals.

Case Study: Employee secured the Kettlebell World Championship title for the third time

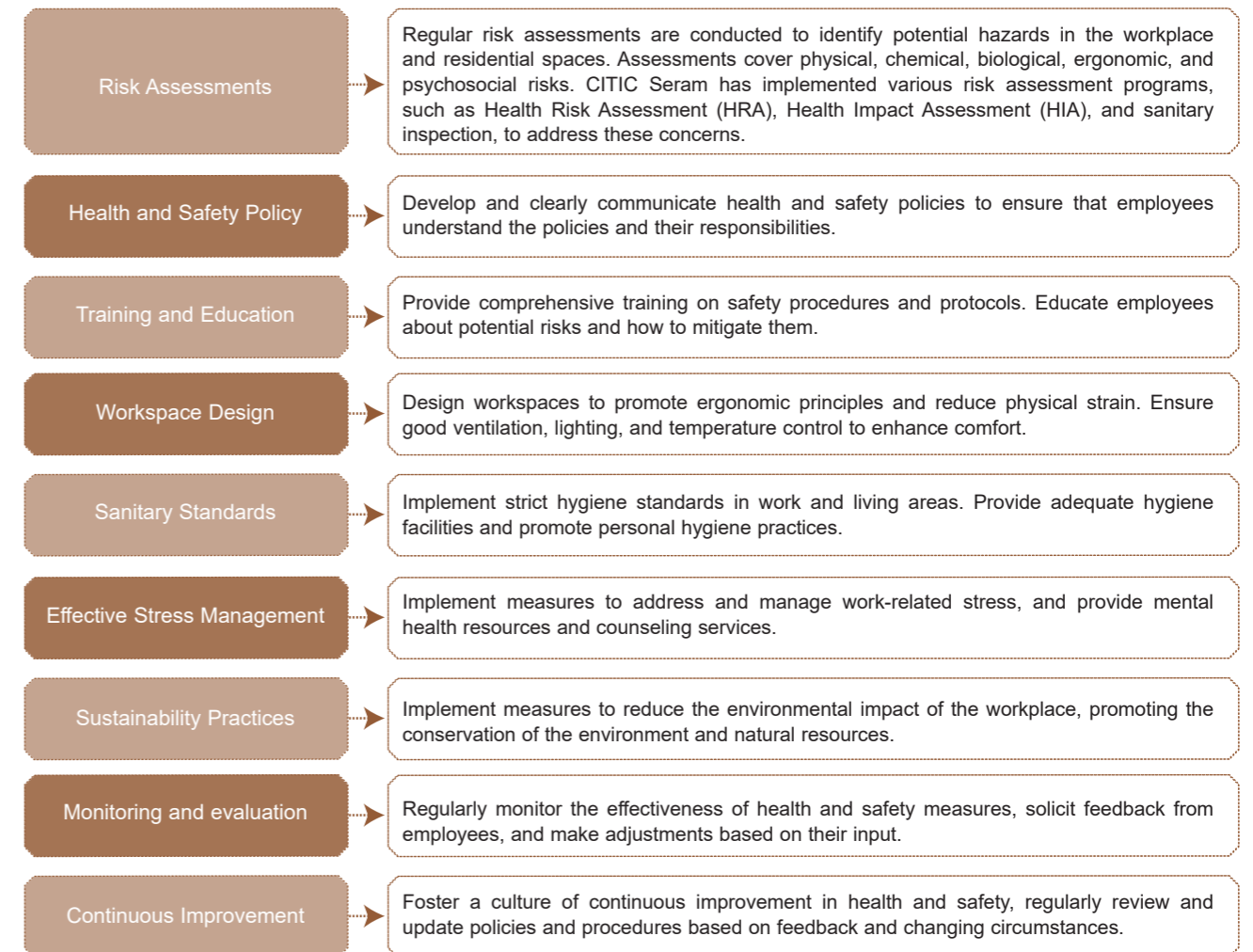
On 9 July 2023, to further ensure the safety of personnel, improve the rescue and disposal ability to deal with emergencies, and realize the safe operation of Yuedong Oilfield, Tincy Group organized an emergency rescue drill for people who fell into the water.



CITIC Seram – Seram Block

Operation Safety Management

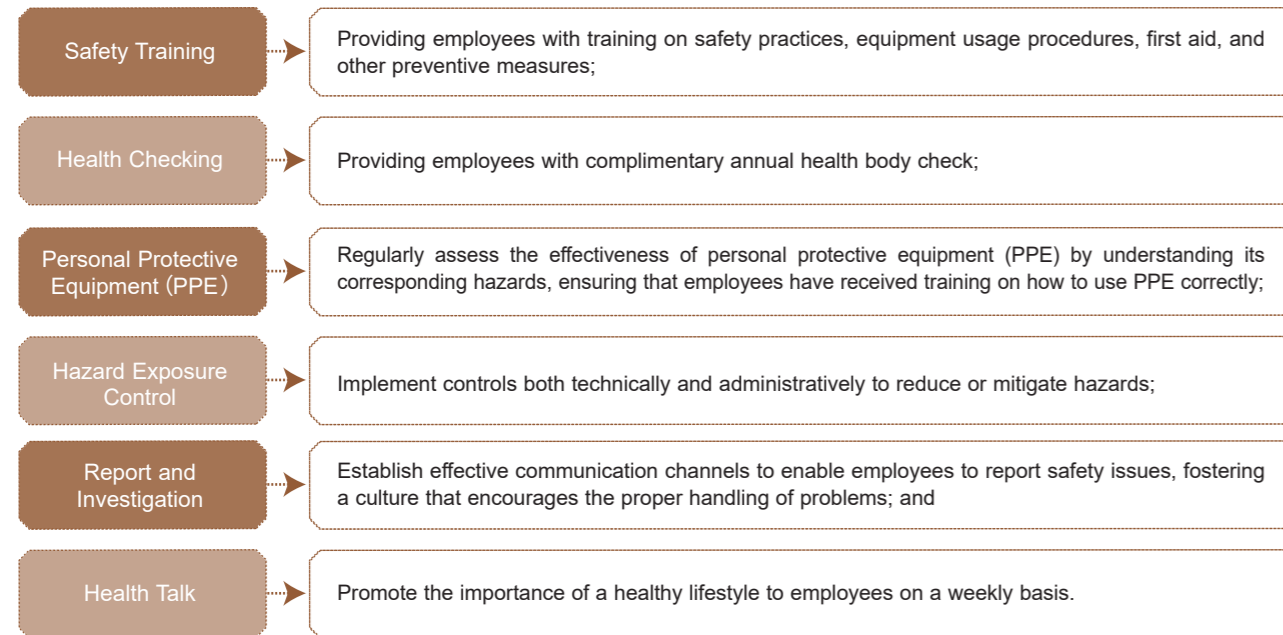
CITIC Seram recognizes the crucial importance of creating a safe, healthy, and sanitary work and living environment for its employees, as it directly impacts their well-being and productivity. To ensure a safe and friendly work environment, the company strictly comply with relevant laws and regulations, regularly updates its policies, and implements various management measures.



CITIC Seram has established an Internal Safety Committee and an emergency response team responsible for operational safety matters. The company is committed to creating a culture of occupational safety, encouraging employees to provide feedback on unsafe equipment and behaviors. It is imperative to implement the HSE management system and contractor safety management system to ensure the operational safety of the Seram block.

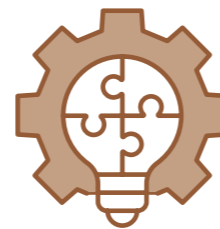
Prevention and Management of Occupational Diseases

CITIC Seram conducts regular occupational health risk assessments to evaluate and identify potential risks in the workplace, encompassing physical hazards, chemical hazards, and ergonomic issues. The company places a strong emphasis on addressing the four major identified occupational risks, namely hydrogen sulfide exposure risk, asbestos and glass wool inhalation risk, noise risk, and chemical fume inhalation risk. Effective measures have been implemented to mitigate these risks. Additionally, based on the results of the analysis, CITIC Seram has developed multiple plans to safeguard employees, including contractors' employees, from the impact of occupational diseases. These plans cover, but are not limited to:



Case: Safety Training

In order to ensure that all employees have the awareness of "safety first", CITIC Seram organizes safety training annually to let employees aware of the key event in occupational safety at work, so as to achieve the goal of "zero work-related injury".



Physical and Mental Health

CITIC Seram provides various sports facilities to encourage employees to enhance their physical and mental well-being. The company conducts a risk assessment in the workplace and posts noise signs in areas where the noise level exceeds specific decibels. In terms of equipment configuration, priority is given to designs in line with ergonomic principles to prevent musculoskeletal disorders.

CITIC Seram provides safety guidance and training for new employees or visitors, introducing the potential hazards within the facility and presenting methods for preventing and avoiding these hazards. Routine inspections are conducted in areas prone to occupational hazards, assessing employees' personal protective equipment, production equipment, and their practices in preventing and avoiding occupational hazards.

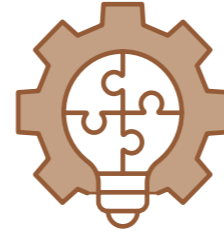
Emergency Response

CITIC Seram recognizes emergency response as an important part of employee safety and has developed a comprehensive emergency response plan that includes, but is not limited to:

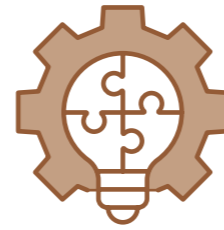


In addition, CITIC Seram has established an emergency communication method to ensure smooth communication between inside and outside the field block in the event of an emergency.

Example: Fire Drill



Case Study: Oil spill response training



KBM – Karazhanbas Oilfield

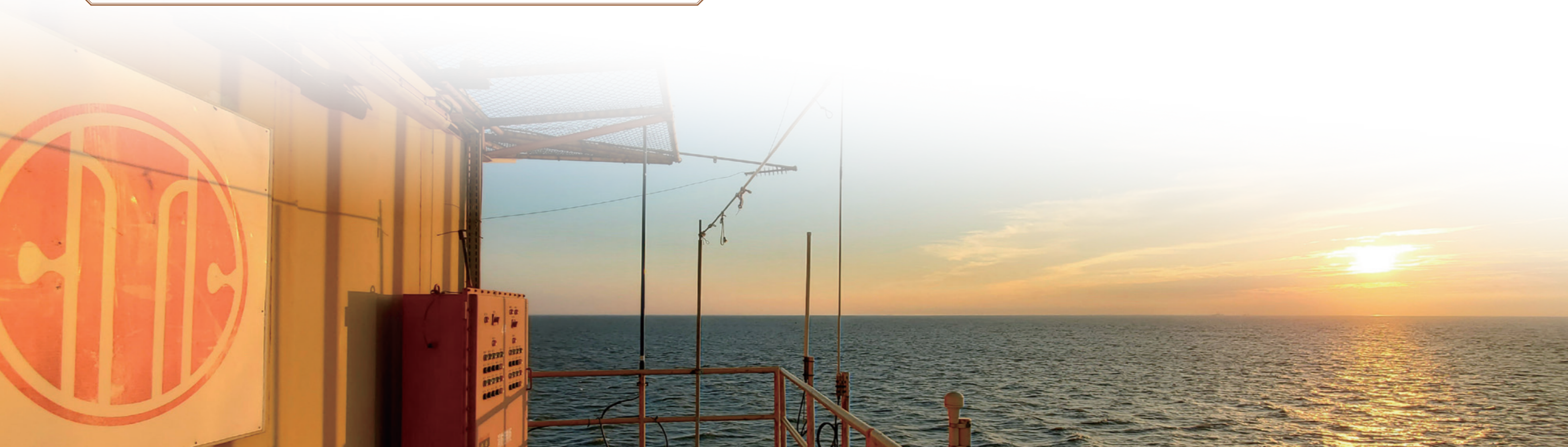
Safety Management

In accordance with industry operational regulations, KBM standardizes procedures related to activities such as fire use, construction, and confined spaces within the oilfield. The company conducts relevant training for employees and contractors to ensure everyone possesses the necessary safety awareness. To guarantee safe operations, KBM mandates that all workplaces are equipped with technical specifications, safety manuals, and first aid kits. Emergency response plans corresponding to different scenarios are also developed.

The Labor Protection and Safety Technology Department of KBM is responsible for recording work-related accidents involving employees and contractors. During bi-weekly safety technology department meetings, KBM’s safety management personnel and contractors analyze on-site situations and discuss incidents to implement measures that prevent their recurrence.

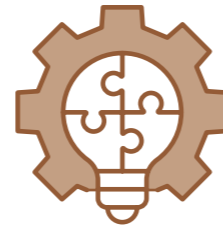
Labor Protection Certification

In order to effectively safeguard the health and safety of employees and prevent accidents in high-risk production facilities, KBM will continue to enhance the construction of its safety management system. The company is committed to adhering to and implementing industrial safety requirements in the oil and gas industry, striving to improve the working environment through various measures. Additionally, KBM has established a labor protection management system, and it has been certified through the assurance by experts from the National Accreditation and Certification Center of Kazakhstan. The certification affirms that KBM’s existing labor protection system fully complies with the Kazakhstan National Standard “GOST12.0.230-2007” (equivalent to “Guidelines for Occupational Safety and Health Management Systems” – ILO-OSH2001 of the International Labour Organization).



Case: Safety Production Meeting

On 3 November 2023, KBM convened a safety work meeting with representatives from oilfield contractors and service providers. The meeting aimed to express gratitude for the efforts made by each company in the areas of safety, labor protection, and environmental conservation. The participants were urged to continue implementing safety production principles, adhering to operational procedures, protecting the health and safety of employees, and preventing work-related accidents.



Fire Drills

To proactively address unforeseen circumstances, KBM organizes annual joint exercises with various departments, including labor protection, safety, environmental protection, firefighting, and medical services within the oilfield. These exercises simulate emergency scenarios, such as a tank top fire, to evaluate the practical effectiveness of emergency response coordination among different departments. The drills assess the technical readiness of equipment, providing a robust assurance for both the safety of oilfield operations and the well-being of employees.

Furthermore, to enhance safety during the autumn and winter seasons, KBM conducts comprehensive emergency drills involving service providers from workshops, firefighting, medical services, catering, security, and vehicle transport. These exercises aim to strengthen the early warning and handling capabilities for emergencies like fires, ensuring a collective and coordinated response from all involved services.

Integrity in Business

CITIC Resources adheres to high ethical standards, recognizing anti-corruption as a fundamental requirement in the daily operational management process. The Group strictly complies with all relevant laws and regulations regarding corruption and bribery in the locations where it operates. The Business Code in the “Employee Handbook” is periodically updated to reflect related provisions. The group is committed to establishing a comprehensive anti-corruption and anti-commercial bribery framework, aiming to eliminate any potential acts or means leading to corruption, extortion, fraud, and commercial bribery. Various measures are implemented, including but not limited to formulating corresponding internal policies and procedures, intensifying training for employees and contractors, establishing effective supervision and management mechanisms, and conducting regular internal audits and assessments. To prevent money laundering activities, the group has also developed the “CITIC Resources Holdings Limited Anti-fraud and Anti-corruption Policy” which clearly outlines expectations and requirements for preventing, detecting, reporting, and investigating any suspected fraudulent, corrupt, money laundering or similar non-compliant activities.

The Human Resources and Administration Department of the group has recently issued the “CITIC Resources Holdings Limited Regulations for Ethical Conduct of Expatriate Employees (Trial)”, which further clarifies the code of conduct for ethical practices. The Company has in place a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the audit committee of the Company about possible improprieties in any matter related to the Company. Additionally, new employee orientation training has been introduced to clearly articulate the group’s expectations for integrity and ethical behavior, rigorously enforcing its anti-corruption policies. In May 2023, the group invited the Independent Commission Against Corruption (ICAC) of the Hong Kong Special Administrative Region to conduct an anti-corruption seminar at its Hong Kong office, providing relevant learning materials to both employees and directors. During the Reporting Period, there were no reported or concluded corruption litigation cases against the group or its employees.

Case Study: Anti-Corruption Seminar by the Independent Commission Against Corruption (ICAC) in the Hong Kong Special Administrative Region (SAR)



Tincy Group – Yuedong Oilfield

Anti-Corruption Training

To eradicate all forms of corruption and improper conduct, Tincy Group has comprehensively implemented the “Integrity Risk Prevention and Control Measures”. The risks associated with clean governance are categorized into three levels: A, B, and C. The company conducts anti-corruption training activities, prioritizes awareness through clean governance education, and enhances the consciousness of party members, executives, and employees in resisting corruption and preventing deviations. This effort aims to firmly establish a psychological defense line throughout the company.

Tincy Group also implements a graded management, supervision, and responsibility system based on different levels. The risk early warning mechanism is managed and implemented by the primary leadership and leaders in charge within Tincy Group. Concurrently, Tincy Group strengthens its oversight of integrity construction to prevent occurrences of bribery, extortion, fraud, and money laundering, establishing preventive measures and a reporting program. The party branch of Tincy Group has established a reporting mailbox and is staffed with a discipline inspection member. During the Reporting Period, Tincy Group did not receive any reported incidents.

Furthermore, Tincy Group rigorously enforces the requirements of the discipline inspection work, closely monitoring important periods and key matters. Through various channels such as the internet and WeChat, the group proactively disseminates anti-corruption and integrity admonitions before major festivals like the Chinese New Year, Qingming Festival, and Dragon Boat Festival. This effectively prevents employees from engaging in disciplinary violations during holiday periods. Additionally, Tincy Group strictly regulates the handling of significant personal events, such as ceremonies related to weddings, funerals, and celebrations, as well as commitments related to the education of children. Tincy Group places particular emphasis on supervising and inspecting any business dealings between the children or relatives of Tincy Group’s executives and the company.

Anti-Corruption Management

Tincy Group stipulates that without consent, no on-site inspection or any form of communication shall be conducted with potential contractors and suppliers before bidding or inquiry. For unfamiliar services or goods, Tincy Group allow the arrangement of consultation and communication with potential contractors or suppliers in order to formulate appropriate procurement strategies.

Tincy Group also has the following anti-corruption management requirements:

- If a meeting with bidding contractors is necessary, it should take place during office hours and in the designated office location, with two or more business and technical evaluators present, authorized by the approving authority.
- Video recording and electronic files of the bidding process are kept, and negotiations are recorded and stored electronically.
- Without authorization from the approving authority, any contact of personnel from Tincy Group with bidding contractors outside the office hours or in location other than office regarding matters of bidding are prohibited

Case Study: Anti-corruption education



Tincy Group conducts anti-corruption legal seminars, showcasing anti-corruption awareness education videos, relevant documents, and other forms to enhance the education and training of management and employee in anti-corruption. Additionally, leveraging the role of public supervision, Tincy Group has set up a complaint box in the company’s office building, established a reporting channel for complaints, and assigned a discipline inspection member to handle oversight-related reports. During the Reporting Period, Tincy Group did not receive any whistleblower letters. After inspection, it was confirmed that there were no issues with the production vehicles and company expenses exceeding standards, and no violations in the provision of any benefits.

CITIC Seram – Seram block

Anti-Corruption Management

CITIC Seram places a strong emphasis on preventing corruption and bribery, consistently adhering to relevant laws and regulations in Indonesia, and strictly following the established norms of the group with a zero-tolerance approach towards illegal activities. In order to further ensure that CITIC Seram remains free from any illegal conduct, the company undergoes regular internal audits to ensure that its operations are lawful and compliant.

Members of the Procurement Committee and employees at CITIC Seram are required to sign integrity statements, committing to adhere to ethical standards in their daily work. They are expected to maintain independence and impartiality, avoiding any influence that could compromise the reputation of CITIC Seram. The company fully complies with the specific anti-money laundering provisions outlined in the “CITIC Resources Holdings Limited Anti-Money Laundering Policy”, defining the organizational structure for anti-money laundering and its responsibilities. In the event of any compliance violations, immediate reporting is made to the Risk and Compliance Department of CITIC Resources, and various reporting channels, including email and hotline, are available for individuals to report directly to their department heads or the CITIC Resources Audit Committee.

KBM – Karazhanbas Oilfield

Anti-Corruption Management

The Management Committee of KBM has recently formulated and approved the “Anti-corruption Regulations of Karazhanbas Petroleum Co., Ltd”. This set of regulations is an internal document developed in accordance with Kazakhstan’s national “Anti-Corruption Law” and the company’s articles of association. It aims to regulate the conduct of employees and internal business departments during interactions with national agencies and external enterprises. The goal is to establish a corporate culture with zero tolerance for corrupt practices, ensuring the maintenance of an open and transparent corporate image.

Additionally, KBM has developed business process passports for each department, along with procedures for mutual collaboration between departments, clearly defining their respective responsibilities, rights, and obligations. KBM has also improved supervision in areas such as procurement, sales, taxation, legal affairs, and more, effectively preventing potential risks and activities like bribery, extortion, fraud, and money laundering. Furthermore, KBM has established a dedicated hotline to facilitate reporting, ensuring that all employees can promptly report any illegal activities.

Supply Chain and Product Quality Management

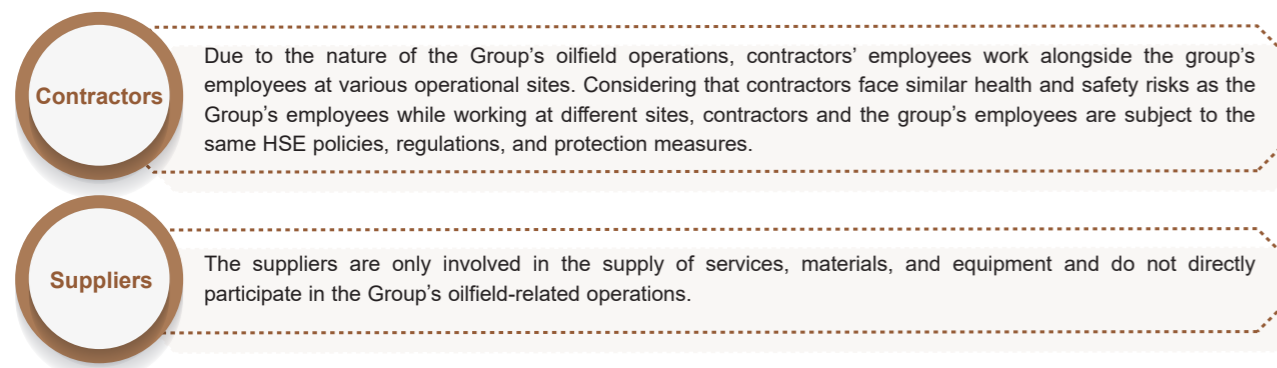
“Working Together and Growing Together” is the longstanding attitude and philosophy of CITIC Resources towards suppliers and contractors. To achieve this goal, the group explicitly requires all suppliers and contractors to comply with applicable local laws and regulations, ensuring proper product quality management, and aligning supply chain management measures with requirements. In addition to this, the group maintains close communication with suppliers and contractors, working together to identify ways to enhance sustainable development performance.

During the Reporting Period, the group did not receive any complaints regarding products and services. We will continue to collaborate closely with suppliers and contractors to ensure that our products and services maintain high quality within the framework of sustainable development.

Supply Chain Management

In terms of the supply chain, the Group focuses on environmental, procurement, labor, and HSE management. It explicitly requires suppliers and contractors to comply with applicable laws and regulations at the operating locations, prioritizing collaboration with suppliers who exhibit good performance. The Group rigorously monitors the impact of suppliers on the environment and society to manage environmental and social risks in the supply chain. Environmentally preferable products and services is one of the selection criterion in the supplier selection process. When selecting suppliers, the Group considers certifications in environmental management systems (such as ISO 14001), quality safety and management systems, as well as past compliance records. The Company would monitor such practice by maintaining supporting documents (e.g. ISO certificates) provided by the suppliers. During the Reporting Period, the group’s suppliers and contractors were located in mainland China, Hong Kong, Taiwan, Kazakhstan, Indonesia, Australia, and other regions. We have assessed or requested self-declarations from 136 (2022: 132) suppliers, in line with the group’s established practices.

Supply Chain Overview



Quality Management

Excellent quality management is commitment of CITIC Resources to customers. The Group adheres to the philosophy of being a responsible supplier, striving to provide consumers with a diverse range of high-quality products and services while ensuring compliance with regulations and specific product standard requirements. If any quality issues is discovered, further investigation will be conducted to identify the causes of substandard products, and recalled products will be centrally processed. The subsidiaries will discuss the solutions with clients case-by-case, including refund or recall. The Group continuously improves its quality management system, revises standards, oversees quality, and establishes a quality culture. Additionally, considerations extend beyond the quality and safety of the products to include their impact on consumers.

Scientific Research and Technological Innovation

To enhance our product quality and minimize the adverse environmental impact of oil and gas extraction, the group actively seeks collaboration with prestigious academic institutions and industry experts. Discussions are conducted to address operational challenges, and resources are allocated to research and develop new technologies. The Group aims to produce products that are environmentally and socially responsible through these efforts.

Tincy Group – Yuedong Oilfield

Supplier and Contractor Management

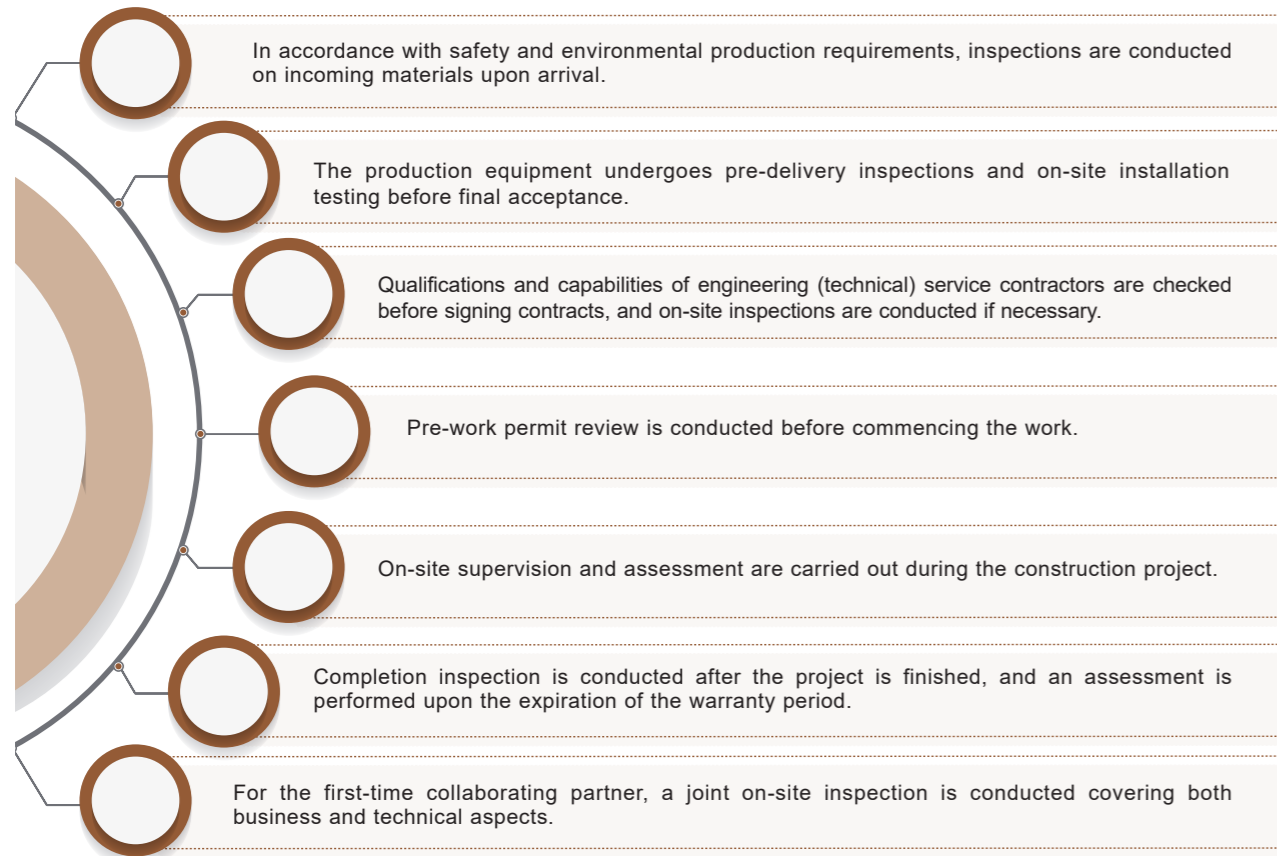
Tincy Group has adopted the new version of the “Tincy Group Energy Resources Limited Procurement Management Measures”. When selecting engineering (technical) contractors, factors such as integrity, business ethics, employee rights and interests, and caring for the community are included in the supplier assessment, and the relevant qualifications of suppliers including international standards such as ISO9001, ISO14001, and ISO18001 are checked. The “Safety Production Management Agreement for Non-coal Mine Outsourcing Project” is included as an annex to the contract, and there are other HSE terms in the contract.

Tincy Group has signed the “Letter of Commitment to Integrity” with important suppliers and implements safety and environmental protection supervision and management of the whole process of operation for contractors in accordance with the requirements of national safety supervision and environmental protection management.

As of the end of the Reporting Period, there were 535 suppliers and engineering and technical contractors of Tincy Group, 128 were applicable to the above-mentioned company’s supplier management measures.

Supplier Assessment

Tincy Group has implemented the following measures in the assessment of suppliers, covering environmental and social risks:



Quality Control

Tincy Group continues to prioritize quality management. The group entrusts China Certification & Inspection Co., Ltd. (CCIC) to conduct inspections on crude oil product, following national standards including but not limited to:

- GB/T 19779-2005 Static Measurement of Petroleum and Liquid Petroleum Product Oil Volume;
- GB/T 1884-2000 Laboratory Determination Method for Crude Oil and Liquid Petroleum Product Density (Density Measurement Method);
- GB/T 1885-1998 Petroleum Measurement Form;
- GB/T 4756-2015 Petroleum and Liquid Hand Sampling Method;
- GB/T 8927-2008 Petroleum and Liquid Petroleum Product Temperature Measurement – Handwork Method;
- GB/T 8929-2006 Measurement of Crude Oil Water Content – Distilling Method;
- GB/T 13236-2011 Manual Measurement Equipment for Liquid Level of Petroleum and Liquid Petroleum Product Tanks; and
- GB/T 13894-1992 Method for Liquid Level Measurement of Petroleum and Liquid Petroleum Products (Handwork Method).

In order to ensure the interests of both buyers and sellers in crude oil transactions, Tincy Group strictly supervises the units involved in inspection, sampling, and loading of crude oil at the company's terminal stations in accordance with the relevant HSE specifications. This is done to guarantee the safety of personnel and property for both customers and the company. Tincy Group employs the following measures to safeguard customer and company interests and address potential customer complaints:

- Each tank is sampled by CCIC and divided into four parallel samples. Ensure that the test objects of the land terminal, CCIC laboratory and SGS laboratory are the same parallel samples, and the other parallel samples are retained by the land terminal station.
- Each inspection of the water data from CCIC and SGS do not result in a positive/negative deviation of more than 2%. If the deviation is greater than 2%, the oil extraction will be terminated and re-assayed.

CITIC Seram – Seram block

Supplier and Contractor Management

CITIC Seram has now established the "Procurement Regulation," requiring all contractors and suppliers to comply with terms related to health, safety production, and environmental protection in the contract. Additionally, CITIC Seram provides support to contractors, including HSE plans, personal protective equipment, and training.

During the bidding process, CITIC Seram conducts a supplier assessment to understand their compliance, financial capability, and experience. The optimal selection is made based on meeting the objectives and budget.

To mitigate the risk of corruption, CITIC Seram has also introduced new terms in contracts with suppliers, including provisions related to gratuities, a code of conduct, and anti-corruption regulations.

Quality control

CITIC Seram manufacture products based on the legal regulations of the operating location and customer requirements. To ensure the quality of products and services, CITIC Seram provides training to employees, enhancing their environmental awareness. During the production process, CITIC Seram also monitors key quality parameters in real-time and regularly assesses risks that may affect product quality. Data analysis is utilized to identify potential issues for continuous improvement. If CITIC Seram identifies products that do not meet standards, they will initiate product recalls in accordance with legal regulations.

KBM – Karazhanbas Oilfield

Supplier and Contractor Management

During procurement, KBM places a strong emphasis on compliance. Standard contract terms explicitly outline provisions related to operational safety, environmental protection, emergency response, etc. Suppliers and contractors are selected based on the legal regulations of the operating location as a fundamental criterion. If any supplier is found to violate contract terms, KBM takes corresponding measures, terminating cooperation in severe cases and listing them as dishonest suppliers.

Through contract standardization, KBM ensures that contractors understand and implement relevant HSE requirements. All procurement related to projects and services includes applications for the “Safety, Labour and Environmental Protection Requirements” in the bidding documents. When signing agreements, contractors must sign and confirm the “Safety, Labour and Environmental Protection Requirements” contract attachment.

To further optimize operational processes and management aspects, KBM has established a Company Management Committee responsible for reviewing and approving priority procurement plans and long-term procurement plans for goods, projects, and services. This helps prevent production delays due to untimely procurement and manages risks related to the environment and society.

As part of the supply chain risk management, most products are purchased under Delivery Duty Paid (DDP) conditions. Under these conditions, the risk of product quality is transferred to KBM after completing the acceptance inspection. If defects are discovered during installation and operation, KBM can request the supplier to replace the product during the warranty period. Further claims work is carried out if the supplier violates contractual obligations. Complaints and claims work are guided by contract terms defining the responsibilities of both parties and supported by rules of litigation.

Quality Management

KBM has established the Company Technology Management Committee to enhance the formulation of medium-to-long-term development plans for oilfields and the introduction of new technologies. This is aimed at ensuring and striving to improve the quality of products.

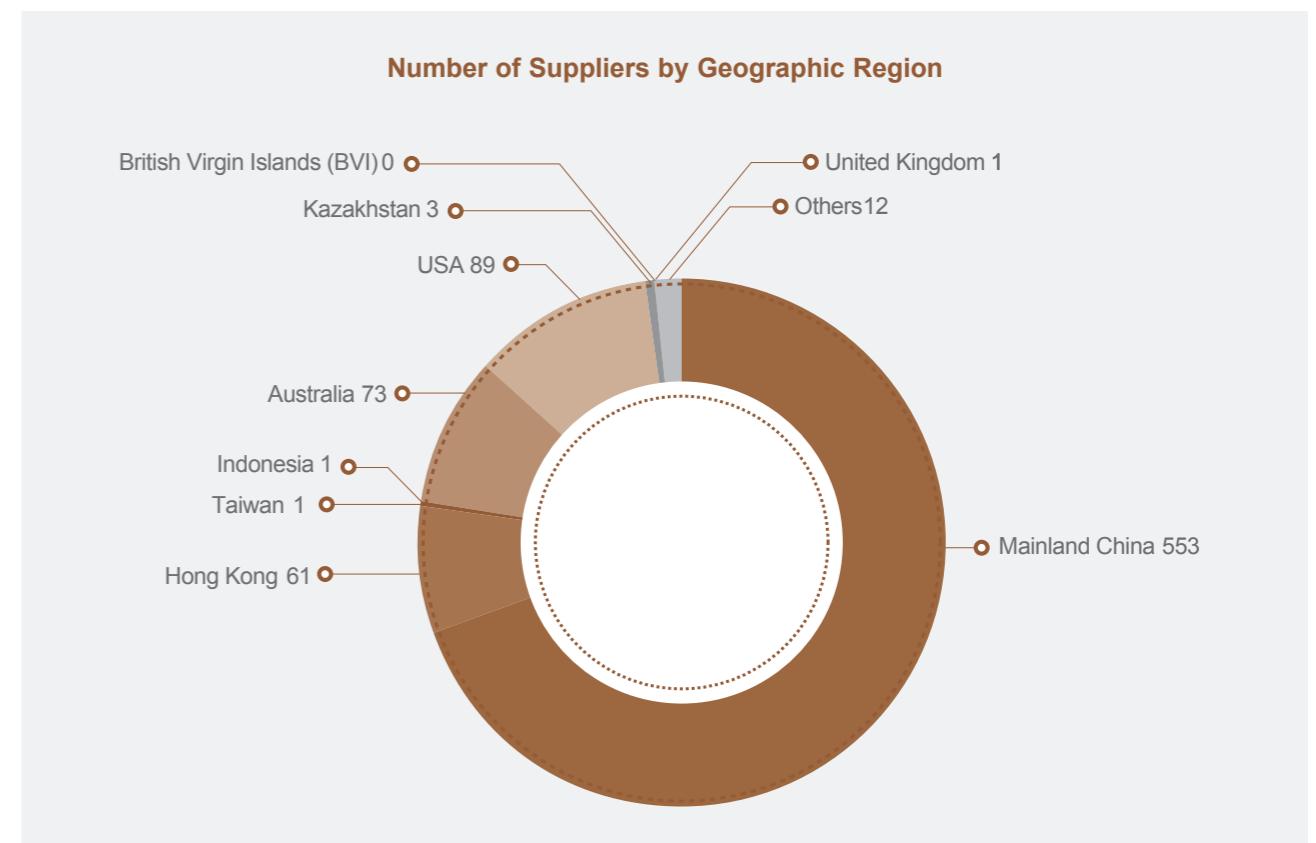


CRA

Supplier Management

CRA's suppliers primarily provide goods and services to the company's office (such as consulting, auditing/tax services, utilities, rent) and source steel products from overseas suppliers. As the business of CRA is primarily import and export commodity, which is in office based, CRA recognized Supplier Management is material to disclose. Most suppliers are mature vendors with whom the group maintains long-term cooperative relationships. There have been no significant changes to the supplier management process during the Reporting Period.

The geographical distribution of the Group's suppliers and contractors during the Reporting Period is as follows:



Our Community

The material issues – “Community Development Contribution” and “Community Service Engagement” are particularly responded to in this section of this Report.

The Group is committed to achieving harmonious and inclusive development with the local communities, ensuring the sustainable growth of its business, and contributing to the stable development and growth of the communities for mutual benefit.

As a socially responsible enterprise, CITIC Resources recognizes that the success of its operations relies on the support of local communities. The group's oilfield operations also impact the local economy, employment, and community. Therefore, the Group actively integrates into local communities and cultures, listens to and responds to the needs of local communities, and invests resources in infrastructure, social welfare, and healthcare. The Group participates in social welfare activities and shares the achievement of its corporate development with the communities.

To consistently fulfill its corporate social responsibility, the Group strictly complies with relevant laws and regulations in its operational areas, keeping a close eye on updates to ensure compliance in all business operations.

Given that the Yuedong Oilfield is located offshore, and the onshore terminal processing station is located in an industrial zone without nearby communities, and the workforce primarily consists of local residents without cultural integration issues, there are no community-related considerations for the Yuedong Oilfield; In contrast, the Seram block is located on Seram Island in Indonesia, with nearby villages; The Karazhanbas Oilfield is located in the western part of Kazakhstan, which is a large onshore heavy oil field near the coast of Rio, with villages and ports nearby.



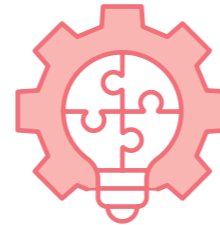
Community Building

CITIC Resources



Case study: Shoreline Clean Up

As part of our corporate social responsibility, CITIC Resources organized employee volunteers to participate in a beach cleanup activity at the Shuen Wan Sha Lan of Taipo on 24 November 2023.



A total of 21 volunteers participated in the event, forming teams of two. After approximately 2 hours of dedicated efforts, the volunteer teams collected around 20 kg of waste, including plastic fragments, straws, fishing lines, cigarette butts, and ropes.

Tincy Group – Yuedong Oilfield

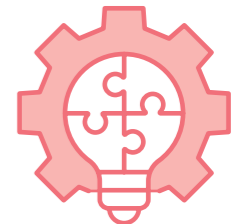
“From the society, for the society”, Tincy Group recognizes that the operation of its business relies on the assistance and contributions of the local community. Therefore, the company is committed to finding opportunities to giving back to the local community during its operations. When purchasing the majority of the company’s production and daily necessities, as well as some engineering (technical) services, Tincy Group prioritizes sourcing from the Liaohe Oilfield and nearby areas. For high-tech and large equipment and technical services, the company also gives priority to sourcing from the Shengli Oilfield or other regions. The remaining important engineering and technical services are procured from China National Offshore Oil Corporation and large domestic marine, port construction enterprises. This measure supports and promotes the development of local industries such as processing, technical services, and logistics, while saving transportation costs and reducing the environmental impact of transportation, achieving a win-win situation.

CITIC Seram – Seram block

Adhering to the philosophy of “integrating into the local community and developing together,” CITIC Seram is committed to giving back to society during its business operations. The company collaborates with local residents, providing substantial assistance to address community concerns and achieve community integration.

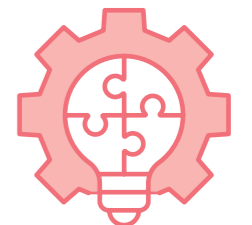
In fulfilling its corporate social responsibility, CITIC Seram takes both tangible and financial measures to increase its investment in the local community, improving the living standards of local residents and assisting in their development. During the Reporting Period, CITIC Seram has formulated and implemented the “Community Development Policy and Plan,” supporting communities near its operational areas. The company has contributed to the operation of the Bula Football School dormitory and mangrove restoration. Additionally, CITIC Seram allocates a budget annually for its corporate social responsibility programs.

Case Study: Mangrove Restoration



Case Study: Supporting the Bula Soccer School Dormitory

CITIC Seram has made an important contribution to education by actively participating in the operation of the hostel by supporting students at the Ambon Bula Football School in the capital of Maluku.



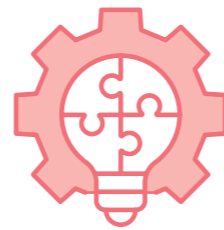
KBM – Karazhanbas Oilfield

As a socially responsible enterprise, KBM formulates annual charity and community development programs, allocating provision to purchase necessary materials and focusing on assisting vulnerable groups. The company also supports the development of education, sports, culture, and healthcare. KBM actively fulfills its social responsibility during participation in the local economic development process.

During the Reporting Period, KBM allocated a portion of its funds for charitable donations, supporting the development of local education, healthcare, culture, and other initiatives. The projects mainly include organizing activities for the elderly, donating to impoverished families, constructing houses, and providing financial assistance to low-income households.

Case Study: Supporting housing construction

On 17 February 2023, a new house donated by KBM's labour union was officially delivered to a single mother in the local rural areas who alone supports 5 children. Before that, the husband of the single mother passed away due to illness, and she raised 5 children by herself. In the simple house built, she maintained her life plan in a difficult way. After learning about the situation, KBM's labour union decided to build a room for her children to shelter from rain. After several months of design and construction, the construction of the spacious bright house was finally completed. The house is equipped with not only various household appliances, but also a simple playground for the children in the courtyard.



Case Study: Donation of Supplies

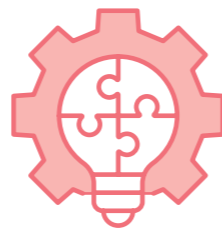


To support the livelihood of local residents, KBM, the social department, and the labour union organize periodic material donation events to provide assistance to impoverished families and vulnerable groups.

In order to support education for local impoverished families, on 23 August 2023, KBM's social department, labour union, and other organizations donated learning materials. Backpacks, pencils, coloring crayons, and other learning supplies were donated to children from impoverished and large families who were about to start school. Additionally, educational assistance was provided to eligible children of employees.

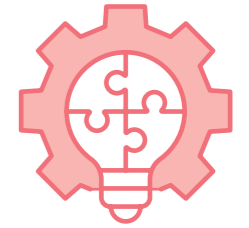


On the eve of New Year's Day in 2023, KBM organized special care teams within each department of the company. These teams distributed food and New Year candy gift packs to over 200 children from more than 50 low-income and large families.



Case Study: Volunteer Activities

On 29 April 2023, KBM organized city employees to participate in voluntary labor, cleaning up plastic bags, beverage bottles, fruit peels, paper scraps, and other litter along the coastal avenue. The collected waste, amounting to nearly a hundred bags, was transported to a landfill for proper disposal. This activity not only achieved the goal of team building but also contributed to the cleanliness and freshness of the coastal avenue.



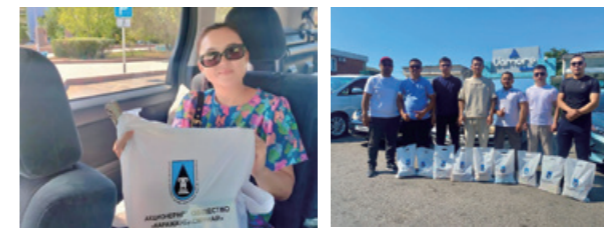
On 5 June 2023, KBM company's young experts, employees from the Health, Safety, and Environment Department, and students from Yessenov University joined forces for a volunteer cleanup initiative along a bay on the shores of the Caspian Sea. Over 90 volunteers collectively removed more than 10 tons of waste, including old tires and plastic bottles. The collected debris was transported to a nearby waste disposal site for proper treatment.



Case Study: Caring the Community

To give back to the local community, KBM regularly organizes community events, including blood donation, free taxi services, and activities to honor the elderly, encouraging employees to actively participate.

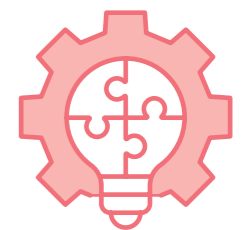
On 14 June 2023, in commemoration of World Blood Donor Day, KBM's young employees organized a blood donation. Several employees have been consistently donating blood for over 10 years.



On 10 August 2023, KBM's young experts organized a free taxi charity day, providing complimentary rides to pedestrians, especially the elderly, people with disabilities, and pregnant women who were struggling in the scorching sun. After dropping them off at their destinations, they also gave them free desserts and souvenirs.



To celebrate International Day of Older Persons, KBM's young experts organized an event on 1 October 2023, where they took the elderly residents from a local nursing home on a tour of city attractions, including the history museum and a new library. The day included tea and dinner arrangements, providing the elderly with an opportunity to experience recreational activities outside the care facility and fostering intergenerational interactions between the youth and the elderly.



Appendix 1

The Material Laws and Regulations that the Group Complied with During the Reporting Period

Laws and regulations corresponding to the aspects of the <i>ESG Reporting Guide</i> ¹	The Group's policies and regulations to ensure compliance with applicable laws and regulations corresponding to the aspects ²	Performance
A. Environmental		
Aspect A1: Emissions		
<p>China</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Protection Tax Law of the People's Republic of China</p> <p>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</p> <p>Marine Environment Protection Law of the People's Republic of China</p> <p>Emergency Response Law of the People's Republic of China</p> <p>Standard for Fugitive Emission of Volatile Organic Compounds</p> <p>Regulation on the Administration of Permitting of Pollutant Discharges</p> <p>National Hazardous Waste List</p> <p>Indonesia</p> <p>Environmental Protection and Management Law of the Republic of Indonesia</p> <p>Waste Management Law of the Republic of Indonesia</p> <p>Forestry Law of the Republic of Indonesia</p> <p>Kazakhstan</p> <p>Environmental Code of the Republic of Kazakhstan</p> <p>Land Code of the Republic of Kazakhstan</p> <p>Forest Code of the Republic of Kazakhstan</p> <p>Water Code of the Republic of Kazakhstan</p>	<p>Tincy Group</p> <p>"Hazard Identification and Risk Assessment Control Procedures"^{*A3}</p> <p>"Accidents and Incident Handling Control Procedures"^{*A3, B2}</p> <p>"Comprehensive and Special Emergency Response Plans"^{*A3, B2}</p> <p>"Emergency Plans for Emergent Environmental Incidents at the Onshore Terminal Processing Station"^{*A3}</p> <p>"Hazardous Waste Management Handbook"</p> <p>"Hazardous Waste Management System"</p> <p>CITIC Seram</p> <p>"Environmental Management"</p> <p>"Incident Reporting and Investigation"^{*B2}</p> <p>"HSE Policy"^{*B2}</p> <p>KBM</p> <p>"Environmental Monitoring and Control System"</p> <p>"Annual Environmental Protection Work Plan"</p> <p>"Production Environmental Management Plan"</p> <p>"Emergency Plans"^{*B2}</p> <p>"Accident Reporting Procedure and Crisis Management Code"^{*B2}</p>	<p>During the Reporting Period, the Group complied with relevant laws and regulations relating to the Group's air emissions and GHG emissions, discharges into to water and land, hazardous and non-hazardous waste generation and disposal that had a significant impact on the Group.</p> <p>Since the implementation of the <i>Environmental Protection Tax Law of the People's Republic of China</i> on 1 January 2018, Tincy Group has to pay for the taxable air pollutants and water pollutants in accordance with the law.</p> <p>During the Reporting Period, Tincy Group paid the Environmental Protection Tax (for the taxable air pollutants and water pollutants) on time, complied with relevant laws and regulations that had a significant impact on Tincy Group.</p>

Note:

1. Certain laws cover several topics regulated in the "Aspects"; these laws are marked with an asterisk and codes of Aspects being covered. There is a limitation to disclose all laws and regulations that the Group complies with, and only laws and regulations that have a significant impact on the Group are disclosed. The Kazakhstan laws and regulations are originally written in Kazakh, and the Indonesian laws and regulations are originally in Indonesian.
2. Particular policies and regulations cover several topics provisioned in the "Aspects"; these policies and regulations are marked with an asterisk and codes of Aspects being covered. Some policies and regulations are derived from CITIC Group; these policies and regulations are marked with a hash.

Laws and regulations corresponding to the aspects of the <i>ESG Reporting Guide</i> ¹	The Group's policies and regulations to ensure compliance with applicable laws and regulations corresponding to the aspects ²	Performance
Aspect A2: Use of Resources		
Not Applicable	<p>Tincy Group</p> <p>"Regulations on Power Saving Management"^{*A4}</p> <p>"Implementation Rules of Power-Saving Project Management Team"^{*A4}</p> <p>"Sewage Treatment and Discharge Management Regulations"</p> <p>"Domestic Sewage Treatment Plant Management Regulations"</p> <p>"Regulations on the Management of Vessel Island Shuttle"</p> <p>CITIC Seram</p> <p>"Management of Changes"</p> <p>KBM</p> <p>"Associated Gas Application Plan"</p> <p>"Wastewater Resource Utilization Plan"</p>	Not Applicable
Aspect A3: The Environment and Natural Resources		
Not Applicable	<p>Tincy Group</p> <p>"Hazard Identification and Risk Assessment Control Procedure"</p> <p>"Preparation Plan for Abandonment of Offshore Oil and Gas Production Facilities in Yuedong Block of Hainan Yuedong Cooperation Zone"</p> <p>"Special Contingency Plan for Oil Transportation Pipeline Rupture Emergency"</p> <p>"Management Document for the Completeness of Operation Stage of Tincy"</p> <p>CITIC Seram</p> <p>"Afforestation Program"</p> <p>KBM</p> <p>"Annual Oil Well Holes Inspection Plan"</p> <p>"Annual Valves and Process Pipelines Inspection Plan"</p> <p>"Annual Process Equipment Flaw Detection and Inspection Plan"</p> <p>"Annual Crude Oil Processing and Processing Workshops"</p>	Not Applicable
Aspect A4: Climate Change		
Not Applicable	<p>Tincy Group</p> <p>"Power Saving Management Regulations"</p> <p>"Implementation Rules of Power-Saving Project Management Team"</p> <p>CITIC Seram</p> <p>"Afforestation Program"</p> <p>KBM</p> <p>"Environmental Monitoring and Control System"</p> <p>"Annual Environmental Protection Work Plan"</p> <p>"Production Environmental Management Plan"</p>	Not Applicable

Laws and regulations corresponding to the aspects of the ESG Reporting Guide ¹	The Group's policies and regulations to ensure compliance with applicable laws and regulations corresponding to the aspects ²	Performance
B. Social		
Aspect B1: Employment		
<p>China Labour Law of the People's Republic of China^{*B2, B4} Labour Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Labour Dispute Mediation and Arbitration Law of the People's Republic of China</p> <p>Indonesia Labour Law of the Republic of Indonesia^{*B4} Trade Union Law of the Republic of Indonesia</p> <p>Kazakhstan Kazakhstan Labour Regulation^{*B4}</p>	<p>CITIC Resources Share Option Scheme Contribution and Retirement Benefit Schemes "Employee Handbook" "Guidelines on Business Travel Reimbursement Procedures" "Regulation for Managing Office Items" "Management Measures for Employee Holiday Compensation"</p> <p>Tincy Group "Tincy Group Management Manual"^{*B4} Social Security and Pension Scheme</p> <p>CITIC Seram "Company Policy"^{*B3, B4, B8}</p> <p>KBM "2019-2021 Collective Contract with Employees" "Regulations for Material Assistance to KBM's In-service Employees and Retired Persons"</p>	<p>During the Reporting Period, the Group complied with relevant laws and regulations that had a significant impact on the Group and are related to employment.</p>
Aspect B2: Health and Safety		
<p>China Work Safety Law of the People's Republic of China (2021 edition) Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Emergency Response Law of the People's Republic of China Interim Measures for Administration of Outsourcing Non-Coal Mining Project Safety</p> <p>Indonesia Occupational Safety and Health Law of the Republic of Indonesia</p> <p>Kazakhstan Kazakhstan Occupational Safety and Health Regulations</p>	<p>Tincy Group "Occupational Health Management Procedures" "HSE Rewarding and Punishment Implementation Plan (Provisional)" "Working License Management Procedures" "Operational Safety Analysis Management Regulations" "Energy Isolation Safety Management Regulations" "Project Permit Management Regulations" "HSE Hazard Report Form" "Emergency Drill Management Regulation"</p> <p>CITIC Seram "HSE Management of Projects"^{*B5}</p> <p>KBM "Behaviour Observation Plan"</p>	<p>During the Reporting Period, the Group complied with relevant laws and regulations in relation to occupational health and safety that had a significant impact on the Group.</p>
Aspect B3: Development and Training		
<p>Not Applicable</p>	<p>CITIC Resources "Employee Training and Development Policy"</p> <p>Tincy Group "Annual Employee Training Plan"</p> <p>KBM "Annual Employee Training Plan"</p>	<p>Not Applicable</p>
Aspect B4: Labour Standards		
<p>China Law of the People's Republic of China on the Protection of Women's Rights and Interests Law of the People's Republic of China on the Protection of Minors Provisions on the Prohibition of Using Child Labour</p> <p>Kazakhstan Kazakhstan Men's and Women's Equal Rights and Opportunities Guarantee Law</p>	<p>KBM KBM clearly defined the welfare policies for female employees on maternity leave and child-rearing in the "2019-2021 Collective Contract with Employees".</p>	<p>During the Reporting Period, the Group complied with relevant laws and regulations in relation to child labour and forced labour that had a significant impact on the Group.</p>

Laws and regulations corresponding to the aspects of the ESG Reporting Guide ¹	The Group's policies and regulations to ensure compliance with applicable laws and regulations corresponding to the aspects ²	Performance
Aspect B5: Supply Chain Management		
<p>Not Applicable</p>	<p>Tincy Group "Construction Safety and Production Management Agreement"</p> <p>CITIC Seram "HSE Management of Contract Services"</p> <p>KBM "Safety, Labour and Environmental Protection Requirements" "Safety, Labour and Environmental Protection Requirements"</p>	<p>Not Applicable</p>
Aspect B6: Product Responsibility		
<p>China Intellectual Property Law of the People's Republic of China Trademark Law of the People's Republic of China Patent Law of the People's Republic of China Tort Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China^{*B7}</p> <p>Indonesia Indonesian Supply Chain Management Supervision Regulations Trademark and Geographical Indications Law of the Republic of Indonesia</p> <p>Kazakhstan Kazakhstan Personal Information Protection Law Kazakhstan Trademarks, Service Marks and Appellations of Origin Law Kazakhstan Oil General Technical Specifications</p>	<p>Tincy Group Tincy Group fulfills its confidentiality obligations in accordance with the terms of contract with its customers in relation to the confidentiality of the information. Tincy Group produces and supplies products in accordance with the quality-related requirements of contracts with its customers.</p> <p>CITIC Seram CITIC Seram strictly maintains customer information, maintains intellectual property rights as required, and recalls products as required by Indonesian Supply Chain Management Supervision Regulations.</p> <p>KBM "Confidential Information Management Regulations" "Rules for Handling, Protecting and Storing JSC Karazhanbasmunai Employee Personal Records"</p>	<p>During the Reporting Period, the Group complied with laws and regulations concerning the provision and use of the Group's products and services, which cover product and service information and labelling, marketing communications including advertising, promotion and sponsorship, and property rights including intellectual property rights that had a significant impact on the Group.</p> <p>During the Reporting Period, the Group produced and supplied products in strict accordance with the relevant laws and regulations of quality management in the operating locations and customer requirements, and there were no incidents of product recalling that had a significant impact on the Group.</p>
Aspect B7: Anti-corruption		
<p>China Criminal Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China</p> <p>Indonesia Elimination of Corruption Law of the Republic of Indonesia Money Laundering Law of the Republic of Indonesia Elimination of Bribery Regulation of the Republic of Indonesia</p> <p>Kazakhstan Kazakhstan Anti-Corruption Regulations</p>	<p>CITIC Resources "CITIC Resources Holdings Limited Regulations for Ethical Conduct of Expatriate Employees (Trial)"</p> <p>Tincy Group "Implementation Measures for Disciplinary Inspection and Reporting of CITIC Group"[#] "CITIC Group's Implementation Opinions on the Clue Management of Discipline Inspection and Supervision"[#]</p> <p>CITIC Seram CITIC Seram strictly abides by the relevant laws and regulations of Indonesia and strictly regulates the daily operation management process according to the requirements of the Group to prevent illegal acts.</p> <p>KBM "Internal Communication Plan" Reporting System</p>	<p>During the Reporting Period, the Group complied with relevant laws and regulations relating to the prevention of bribery, extortion, fraud, and money laundering, and did not receive any lawsuit relating to internal employees involved in bribery, extortion, and money laundering.</p>
Aspect B8: Community Investment		
<p>Not Applicable</p>	<p>CITIC Seram "Annual Community Relations Work Plan" "Community Development Policy and Plan"</p> <p>KBM "Annual Work Plan"</p>	<p>Not Applicable</p>

Appendix 2 Key Performance Indicators

Environmental Aspect

Emissions ¹	Unit	2023	2022
Nitrogen Oxides (NO _x)	Tonnes	108.46	87.17
Intensity of NO _x Emissions	Tonnes per barrel of crude oil	3.24 x 10 ⁻⁵	2.34 x 10 ⁻⁵
Sulphur Dioxide (SO ₂)	Tonnes	61.23	62.90
Intensity of SO ₂ Emissions	Tonnes per barrel of crude oil	1.83 x 10 ⁻⁵	1.69 x 10 ⁻⁵
Particulate Matter (PM)	Tonnes	42.29	53.05
Intensity of PM Emissions	Tonnes per barrel of crude oil	1.27 x 10 ⁻⁵	1.42 x 10 ⁻⁵

Notes:

- The emissions of air pollutants during the Reporting Period came from the combustion of fuel from stationary sources, road mobile sources and non-road mobile sources. The standards and calculation methods are mainly based on the Technical Guidelines for Compiling Air Pollution Emission Inventories of Road Motor Vehicles (Trial) and Technical Guidelines for Compiling Emission Inventory of Non-Road Mobile Pollutant Sources (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China, Guidelines for Compiling Air Pollutant Emission Inventory issued by the European Union Monitoring and Evaluation Program (EMEP)/European Environment Agency (EEA), and the emissions conversion in Appendix B of Australian Transport Assessment and Planning.

KPI	Unit	2023	2022
Direct GHG Emissions(Scope 1)¹			
Total Direct GHG Emission (Scope 1)	Tonnes of CO ₂ e	80,511.30	98,785.37
Emissions from Stationary and Mobile Sources	Tonnes of CO ₂ e	70,638.32	91,211.89
Flaring Emissions	Tonnes of CO ₂ e	13,391.98	7,573.48
Emissions Removal (Scope 1) by Newly Planted Trees	Tonnes of CO ₂ e	3,519.00	–
Energy Indirect GHG Emissions(Scope 2)²			
Total Energy indirect GHG Emission (Scope 2)	Tonnes of CO ₂ e	14,648.76	32,473.75
Purchased Electricity	Tonnes of CO ₂ e	6,818.21	24,003.15
Purchased Steam	Tonnes of CO ₂ e	7,830.55	8,470.60
Total GHG Emission			
Total GHG Emission	Tonnes of CO ₂ e	95,160.06	132,026.98
Intensity of Total GHG Emission ³	Tonnes of CO ₂ e per barrel of crude oil	0.03	0.04

Notes:

- The standard, methodology and calculation in relation to GHG Scope 1 emissions in the Reporting Period are mainly based on the Guidelines for Accounting Methods and Reporting of GHG Emissions for China's Petroleum and Natural Gas Production Enterprises (Trial) and the Guidelines for Accounting Methods and Reporting of GHG Emissions for Land Transportation Enterprises (Trial), Guidelines for Accounting Methods and Reporting of GHG Emissions for Enterprises in Other Industries (Trial) issued by the National Development and Reform Commission of the People's Republic of China, 2006 IPCC Guidelines for National GHG Inventories, and Appendix II Guidelines of Reporting Environmental Key Performance Indicators of How to Prepare Environmental, Social and Governance Reports of the SEHK.
- The standard, methodology and calculation in relation to GHG Scope 2 emissions in the Reporting Period are mainly based on the Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises issued by the Ministry of Ecology and Environment of the People's Republic of China, the 2022 Sustainability Report of CLP Holdings Limited, the National GHG Accounting Factors³ published by the Ministry of Environment and Energy of Australia in 2023, and carbon dioxide emission factors for power grids and carbon dioxide emission intensity calculations for electricity sales in GHG Emission Factors for Electric Power Systems published by the General Administration of Electricity of the Indonesian Ministry of Energy and Mineral Resources in 2019.
- As at 31 December 2023, the Group has consumed 3,351,895 barrels of crude oil. This data will also be used to calculate other intensity information.

KPI	Unit	2023	2022
Hazardous Waste			
Total hazardous Waste	Tonnes	10,917.07	9,860.75
Intensity of Total hazardous Waste	Tonnes per barrel of crude oil	0.003	0.003
Generated and Treated Oil Sand	Tonnes	839.02	915.14
Intensity of Generated and Treated Oil Sand Amount	Tonnes per barrel of crude oil	2.50 x 10 ⁻⁴	2.46 x 10 ⁻⁴
Generated and Treated Drilling Waste Amount ¹	Tonnes	10,072.30	8,945.61
Intensity of Generated and Treated Drilling Waste Amount	Tonnes per barrel of crude oil	0.003	0.002
Non-hazardous Waste			
Total Non-hazardous Waste	Tonnes	891.90	822.18
Intensity of Total Non-hazardous Waste	Tonnes per barrel of crude oil	2.66 x 10 ⁻⁴	2.21
Generated and Treated Domestic Waste Amount	Tonnes	891.90	822.00
Intensity of Generated and Treated Domestic Waste Amount	Tonnes per barrel of crude oil	2.66 x 10 ⁻⁴	2.21 x 10 ⁻⁴
Treated Metal Waste Amount	Tonnes	–	0.18
Intensity of Treated Metal Waste Amount	Tonnes per barrel of crude oil	–	4.03 x 10 ⁻⁸
Wastewater			
Total Wastewater Discharge	Tonnes	2,350,103.64	2,250,434.20
Intensity of Total Wastewater Discharge	Tonnes per barrel of crude oil	0.70	0.60
Treated Industrial Oily Wastewater Discharge	Tonnes	2,330,292.69	2,230,813.60
Domestic Sewage Discharge	Tonnes	19,810.95	19,620.60

Notes:

- Drilling waste includes drilling cuttings and drilling fluids.

KPI	Unit	2023	2022
Direct Energy Consumption			
Total Direct Energy Consumption	kWh in '000s	472,531.13	533,985.21
Associated Gas Consumption ¹	kWh in '000s	176,081.89	249,754.71
Intensity of Associated Gas Consumption	kWh in '000s per barrel of crude oil	0.05	0.07
Natural Gas Consumption	kWh in '000s	122,243.11	99,520.65
Intensity of Natural Gas Consumption	kWh in '000s per barrel of crude oil	0.04	0.03
Gasoline Consumption ²	kWh in '000s	433.30	294.37
Intensity of Gasoline Consumption	kWh in '000s per barrel of crude oil	12.9 x 10 ⁻⁴	7.90 x 10 ⁻⁵
Diesel Consumption ³	kWh in '000s	2,455.47	3,468.57
Intensity of Diesel Consumption	kWh in '000s per barrel of crude oil	7.33 x 10 ⁻⁴	9.31 x 10 ⁻⁴
Crude Oil Consumption ⁴	kWh in '000s	171,317.36	180,946.91
Intensity of Crude Oil Consumption	kWh in '000s per barrel of crude oil	0.05	0.05
Indirect Energy Consumption			
Total Indirect Energy Consumption	kWh in '000s	31,636.84	76,173.87
Purchased Electricity Consumption	kWh in '000s	11,862.72	54,783.46
Intensity of Purchased Electricity Consumption	kWh in '000s per barrel of crude oil	0.004	1.47 x 10 ⁻²
Purchased Steam Consumption ⁵	kWh in '000s	19,774.13	21,390.41
Intensity of Purchased Steam Consumption	kWh in '000s per barrel of crude oil	0.006	5.74 x 10 ⁻³
Total Energy Consumption			
Total Energy Consumption	kWh in '000s	504,167.97	610,159.08
Intensity of Total Energy Consumption	kWh in '000s per barrel of crude oil	0.15	0.16

Notes:

- The unit conversion of associated natural gas refers to the Guidelines for Accounting Methods and Reporting of GHG Emissions of Chinese Petroleum and Natural Gas Production Enterprises (Trial).
- The unit conversion of gasoline refers to the Guidelines for GHG Accounting Reports for Enterprises in 24 Key Industries (Trial), and the density of gasoline is converted at 0.7475 kg/liter.
- The unit conversion of diesel units refers to the Guidelines for GHG Accounting Reports for Enterprises in 24 Key Industries (Trial), and the density of diesel is converted at 0.82 kg/liter.
- The unit conversion of crude oil refers to the Guidelines for GHG Accounting Reports for Enterprises in 24 Key Industries (Trial).
- The unit conversion of purchased steam refers to Guidelines for Accounting Methods and Reporting of GHG Emissions of Chinese Petroleum and Natural Gas Production Enterprises (Trial).

KPI	Unit	2023	2022
Water Resources			
Total Water Usage	m ³	356,337.00	1,033,543.72
Intensity of Total Water Usage	m ³ per barrel of crude oil	0.11	0.28
Water Sourced from Wells	m ³	351,611.00	1,017,089.89
Water Sourced from Municipal Water Supply	m ³	4,726.00	11,968.00

KPI	Unit	2023	2022
Newly Planted Trees	No.	153,000	—

Social Aspect

KPI	Unit	2023	2022
In-service Employees¹			
Number of In-service Employees and Contractors by Geographical Region			
Employees in the Mainland China	person	130	132
Employees in Indonesia	person	12	9
Employees in Australia	person	15	22
Employees in Hong Kong	person	25	25
Number of In-service Employees by Gender			
Female employees	person	51	50
Male employees	person	131	138
Number of In-service Employees by Age			
Below 30	person	1	3
30-50	person	112	116
Above 50	person	69	69
Number of In-service Employees by Employment Type			
Senior	person	68	21
Middle Level	person	106	31
Junior	person	8	116
Number of In-service Employees by Employment Category			
Contract	person	181	187 ²
Short-term and Part-time	person	1	1

Notes:

- During the Reporting Period, there were 647 Mainland China contractor employees and 73 Indonesia contractor employees. In 2022, there were 605 Mainland China contractor employees and 187 Indonesia contractor employees.

KPI	Unit	2023	2022
Resigned Employees¹			
Employee Turnover Rate by Geographical Region			
Mainland China	%	12	5
Indonesia	%	0	478 ¹⁶
Australia	%	40	18
Hong Kong	%	36	28
Employee Turnover Rate by Gender			
Female employees	%	16	48
Male employees	%	17	120
Employee Turnover Rate by Age			
Below 30	%	100	20
30-50	%	12	82
Above 50	%	23	450 ²

Notes:

- The employee turnover ratio for each category is calculated by dividing the number of employees in that category by the total number of employees in that category.
- The increase in employee turnover rate in Indonesia in 2022 is due to the natural loss of most employees reaching retirement age.

KPI	Unit	2023	2022
Employee Training			
Percentage of Employees Trained by Gender			
Female employees	%	67	6
Male employees	%	79	94
Percentage of Employees Trained by Employee Category			
Senior	%	82	15
Middle Level	%	70	16
Junior	%	100	61
Average Training Hours of Employees			
Average Training Hours of Employees by Gender¹			
Female employees	hours	15.71	2.50
Male employees	hours	48.78	24.00
Average Training Hours of Employees by Employee Category¹⁷			
Senior	hours	48.88	26.05
Middle Level	hours	35.21	14.77
Junior	hours	16.88	20.97

Notes:

1. The average training hours are calculated by dividing the total training hours of employees of this category by the total number of employees of this category.

KPI	Unit	2023	2022	2021
Work Safety				
Number of work-related fatalities ¹	person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work injury	days	0	0	0

Notes:

1. In the past three Reporting Periods, the Group had no work-related fatalities.

KPI	Unit	2023	2022
Suppliers and Contractors			
Number of Suppliers and Contractors by Geographical Region			
Mainland China	No.	553	124
Hong Kong	No.	61	65
Taiwan	No.	1	6
Kazakhstan	No.	1	1
Indonesia	No.	73	7
Australia	No.	89	1
United States	No.	3	1
United Kingdom	No.	0	1
British Virgin Islands (BVI)	No.	1	1
Others	No.	12	4

KPI	Unit	2023	2022
Community Investment			
Resources Used in the Following Areas	10,000RMB	8.52	10.64
Supporting Disaster Relief	10,000RMB	0	2.22
Supporting Disadvantaged Groups	10,000RMB	0	0
Supporting Education	10,000RMB	1.35	1.33
Supporting Sports	10,000RMB	0.45	0.66
Supporting Cultural Activities	10,000RMB	0	0.22
Supporting Healthcare	10,000RMB	0	0.89
Supporting Poverty Alleviation	10,000RMB	5.28	2.22
Supporting the development of environmental protection	10,000RMB	1.44	0.89
Others	10,000RMB	0	2.22

Appendix 3 SEHK ESG Reporting Guide Index

Categories, Aspects and Key Performance indicators		The relevant sections of this report disclose or interpretation
Mandatory Disclosure Requirements		
Governance Structure	A Statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues. (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s business); 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 business.	Our Governance
Reporting principles	A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG Report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this report – Reporting Standards and Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this report – Reporting Organizational Scope
“Comply or Explain”		
A. Environment		
Aspect A1: Emissions		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment – Environmental Impact and Management Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI A1.1	The types of emissions and respective emissions data.	Appendix 2 Key Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 Key Performance Indicators
KPI A1.3	Total hazardous waste produced (tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 2 Key Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment – Environmental Impact and Management
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.	Our Environment – Environmental Impact and Management

Categories, Aspects and Key Performance indicators		The relevant sections of this report disclose or interpretation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Our Environment – Resource Usage Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 2 Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 2 Key Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment – Resource Usage
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Environment – Resource Usage
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable ¹⁹
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Our Environment – Environmental Impact and Management, Resource Usage, and Oil Spill Prevention Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Our Environment – Environmental Impact and Management, Resource Usage, and Oil Spill Prevention
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment – Climate Change Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment – Climate Change

Remark:

¹⁹ The Group’s principal operations disclosed in this Report are the exploration, development and production of crude oil, and no packaging materials are involved in these processes.

Categories, Aspects and Key Performance indicators		The relevant sections of this report disclose or interpretation
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employees – Policies and Benefits, and Respect for Rights Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix 2 Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 2 Key Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Our Operations – Health and Safety Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 2 Key Performance Indicators
KPI B2.2	Lost days due to work injury.	Appendix 2 Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our Operations – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employees – Training and Development Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 2 Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 2 Key Performance Indicators

Categories, Aspects and Key Performance indicators		The relevant sections of this report disclose or interpretation
Aspect B4: Labour Standards		
General Disclosure	For the prevention of child or forced labour: (a) Policies; (b) information on compliance with relevant laws and regulations that have a material impact on the issuer.	Our Employees – Respect for Rights Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Employees – Respect for Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Employees – Respect for Rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Operations – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Appendix 2 Key Performance Indicators
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.	Our Operations – Supply Chain and Product Quality 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.	Our Operations – Supply Chain and Product Quality 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.	Our Operations – Supply Chain and Product Quality 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.	Our Operations Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Operations Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B6.4	Description of quality assurance process and recall procedures.	Our Operations – Supply Chain and Product Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Operations

Categories, Aspects and Key Performance indicators		The relevant sections of this report disclose or interpretation
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.	Our Operations – Integrity in Business Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
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.	Our Operations – Integrity in Business Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Our Operations – Integrity in Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Operations – Integrity in Business
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.	Our Community Appendix 1 The Material laws and regulations that the Group complied with during the Reporting Period
KPI B8.1	Focus on areas of contribution (e.g. education, environmental issues, labour needs, health, culture, sports).	Our Community Appendix 2 Key Performance Indicators
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community Appendix 2 Key Performance Indicators

Appendix 4 Reader Feedback Questionnaire

Hello! Thank you very much for reading this Report. To continuously promote the Company's work in ESG and improve ESG reporting, we sincerely and truly look forward to hearing your feedback and suggestions, please let us know!

1. What is your identity in relation to CITIC Resources?

- Government and Regulator
- Business Partners
- Media
- Employee
- Potential Investors & Financial Institutions
- Community and the Public
- Client
- Other (please specify)

2. Your overall assessment to this Report is:

- Very good
- Good
- Fair
- Poor
- Very Poor

3. What do you think of the structure of this Report?

- Very Reasonable
- Reasonable
- General
- Poor
- Very poor

4. What do you think of the design of this Report?:

- Very Reasonable
- Reasonable
- General
- Poor
- Very poor

5. What do you think of the readability of this Report?

- Very good
- Good
- Fair
- Poor
- Very Poor

6. What do you think of the quality of the ESG information in this Report?

- Very good
- Good
- Fair
- Poor
- Very Poor

7. Which disclosed issues do you pay attention to in this Report? (please choose 3 issues at most)

- Climate change-related risks (e.g. typhoons, floods)
- Waste Management
- Resources Usage Efficiency (including Water Resources)
- Air Pollution and Greenhouse Gases Emission Management
- Biodiversity and Land Use
- Oil Spill Prevention
- Energy Use (including New and Clean Energy)
- Occupational Health and Safety
- Protection of Employees' Rights
- Diversity and Equal Opportunities
- Employee Training and Development
- Business Ethics and Anti-corruption
- Risk Management and Compliance Operation
- Scientific Research and Technological Innovation
- Products and Services Quality
- Supply Chain Management
- Community Development Contribution
- Community Service Engagement

8. What are your feedback and/or suggestions on this ESG Report and/or our performance?

You can e-mail the above feedback form to the following email address:

E-mail: ir@citicresources.com

Thank you very much again for your understanding and support of our work.



中信資源控股有限公司
CITIC Resources Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 1205

Suites 6701-02 & 08B, 67/F, International Commerce Centre, 1 Austin Road West, Kowloon

Tel: (852) 2899 8200

Fax: (852) 2815 9723

E-mail: ir@citicresources.com

Website: <http://resources.citic/>