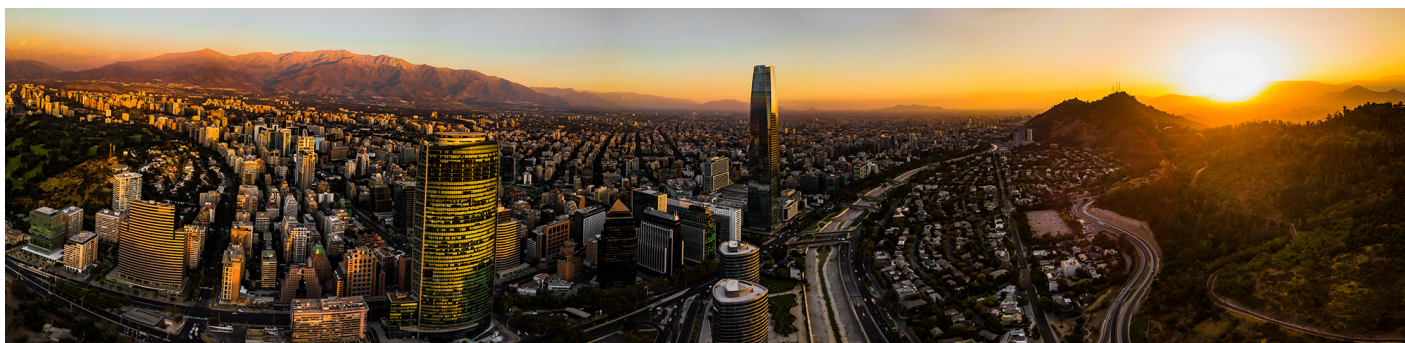




CIC 2022

China Investment Corporation

Pillar 1: Legal

Legal framework, objectives, and coordination with macroeconomic policies

Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

China Investment Corporation (CIC) was incorporated as a state-owned company under the Company Law of China.

In accordance with China's Company Law, CIC has established a sound and complete corporate governance structure composed of the Board of Directors, the Board of Supervisors, and the Executive Committee, with clear authority and responsibilities, standardized operations, mutual coordination, and checks and balances. The State Council exercises shareholder's rights on behalf of the State.

Public disclosure channels: websites (www.china-inv.cn/chinainven/Governance/Articles_of_Association.shtml), press releases (www.china-inv.cn/chinainven/Media/Press_Releases.shtml), annual reports (www.china-inv.cn/chinainven/Media/Annual_Report.shtml), WeChat official accounts, public events, interviews and media coverage, publicity materials, publications, regulatory filings, statutory reports and other disclosure materials, etc.

Principle 2

The policy purpose of the SWF should be clearly defined and publicly disclosed.

CIC was established as a vehicle to diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance.

CIC is a financial investor that doesn't seek control of the companies in its portfolio.

The above-mentioned information is disclosed via public disclosure channels (www.china-inv.cn/chinainven/Media/Press_Releases.shtml).

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

Pursuant to the mandate from its shareholder, Central Huijin, as a wholly-owned subsidiary of the Company, undertakes equity investment in key state-owned financial institutions in China and exercises its rights and performs its obligations as a shareholder to the extent of its capital contribution, with a view to preserving and enhancing the value of state-owned financial assets.

The Company does not engage in any other commercial activities and does not intervene in the daily management of the institutions in its portfolio.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

CIC was initially capitalized with US \$200 billion in reserves purchased from the People's Bank of China in exchange for RMB 1,550 billion in sovereign bonds issued by the Ministry of Finance. The state injected a total of US\$50 billion into China Investment Corporation International Co., Ltd. (CIC International), a subsidiary of CIC, after it was established.

The above-mentioned information is disclosed via public disclosure channels (www.china-inv.cn/chinainven/Media/Press_Releases.shtml).

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

Pursuant to the Rules of Procedure for the Board of Directors, the Company reports development strategies, operational policies, investment plans, investment performance, and other major matters to the Board of Directors on regular (approximately every six months) or ad-hoc basis.

In addition, the Company publicly discloses information in its annual reports including on its operations, investment activities, and financial statements.

Pillar 2: Institutional

Institutional Framework and Governance Structure.

Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the

management of the SWF to pursue its objectives.

CIC set up its Board of Directors and Board of Supervisors in accordance with China's Company Law. CIC's three governing bodies are the Board of Directors, the Board of Supervisors and the Executive Committee. The State Council exercises shareholder's rights on behalf of the State.

In accordance with the Company Law of China and CIC's Articles of Association, the Board of Directors is responsible for: establishing and overseeing the Company's development strategies, operational policies, and investment plans; determining major matters to be reported on to the shareholder; approving the annual budget and final accounts; appointing and removing senior executives; and approving the establishment of internal management bodies.

The Board of Directors comprises Executive Directors, Non-Executive Directors, Independent Directors, and an Employee Director.

Organized under and as authorized by the Board of Directors, the Strategy and Social Responsibility Committee, the Risk Management Committee, and the Remuneration Committee are responsible for studying and providing insights on major matters to inform decisions taken by the Board of Directors.

Pursuant to the Company Law of China, CIC's Articles of Association, and other relevant regulations, the Board of Supervisors is responsible for conducting internal audits and monitoring the Company's finances, with the objective of ensuring high quality financial management and reporting. Both the Supervisory Committee and the Audit Committee report to the Board of Supervisors.

Pursuant to its mandate from the Board of Directors, CIC's Executive Committee is responsible for: implementing the resolutions of the Board; deciding on major operational matters including the establishment and improvement of basic policies and operation mechanisms; and overseeing personnel policies including performance evaluation, remuneration, and incentives.

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

Pursuant to CIC's Articles of Association, the State Council exercises shareholder's rights on behalf of the State. The appointment and removal of a director shall be subject to the approval of the State Council, and the Board shall have one Chairman and may have one Vice Chairman designated by the State Council. The Board of Directors authorizes the Executive Committee to be responsible for implementing the resolutions of the Board of Directors. The Board of Supervisors shall have one Chairman, who shall be appointed by the State Council.

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The Board of Directors is the governing body.

As mentioned above, in accordance with the Company Law of China and CIC's Articles of Association, the Board of Directors is responsible for: reviewing and approving the Company's development strategies, operational policies, and investment plans; determining major matters to be reported on to the shareholder; approving the annual budget and final accounts; appointing and removing senior executives; and approving

the establishment of internal management bodies.

Pursuant to the Rules of Procedure for the Board of Directors, the Company's annual Board Meeting discusses and approves annual summary, performance appraisal, and other matters, and the Company's semi-annual Board Meeting discusses and approves semi-annual summary. In addition, the Company may convene an Interim Board Meeting to review relevant proposals as required in accordance with the Rules.

The Board of Directors consist of eleven directors, including three executive directors, five non-executive directors, two independent directors and one director representing the employees. An executive director is a director who concurrently holds a senior management position in the Company. A non-executive director is a non-independent director who does not hold any other position in the Company other than a director position. The National Development and Reform Commission, the Ministry of Finance, the Ministry of Commerce, the People's Bank of China and the State Administration of Foreign Exchange shall each nominate one of their officials for the non-executive director positions. An independent director does not hold any other position in the Company and has no relationship with the Company that might influence his or her independent objective judgments. The nominee(s) for the director representing employees shall be elected at the employee representative meetings.

Resumes of the board of directors published on the website (www.china-inv.cn/chinainven/Governance/Board_of_Directors.shtml). The governing bodies have a clear mandate and adequate authority and competency to carry out its functions.

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

Pursuant to the Rules of the Executive Committee, the Executive Committee is a permanent organization of CIC that is responsible for the operations and management of the Company and reports to the Board of Directors.

As mentioned above, the Executive Committee, as authorized by the Board of Directors, is responsible for implementing Board resolutions, and for studying and taking decisions on major operational matters including the establishment and improvement of basic policies, systems, and working mechanisms, as well as performance evaluation, remuneration and incentive programs.

The Executive Committee, worked and managed independently, translates the guidance of the Board of Directors into detailed strategies and oversees CIC's day-to-day operations. It has the authority to make required operating decisions, including decisions on basic rules, institutional adjustments, operating mechanisms, performance evaluations, and remuneration.

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

As mentioned above, the Company's Articles of Association defines and clarifies the powers and responsibilities of the Board of Directors, the Board of Supervisors, and the Executive Committee. The Board of Directors reports to the shareholder, and the Executive Committee reports to the Board of Directors. The Executive Committee is responsible for implementing Board resolutions, and for studying and taking decisions on major operational matters.

In addition, accountability requirements are stipulated in rules governing the Company's human resources, operations and management, audit and supervision, corporate culture, etc.

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

CIC has released annual reports since 2009 to disclose the net return on its global portfolio and financial statements. The financial results of subsidiaries, including CIC International, CIC Capital and Central Huijin, are included in the CIC annual reports.

The Company publicly discloses its investment performance data including net annual return on the overseas portfolio, annualized cumulative 10-year net return, annualized cumulative net return since inception, etc.

The consolidated financial statements of CIC have been prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. These accounting standards have substantially converged with the International Financial Reporting Standards (IFRS).

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

An independent third-party auditor issues an unqualified opinion for the CIC's consolidated financial statements which represent a true and fair view of the Company's financial position, operating results, and cash flows for the year that ends on December 31.

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

CIC welcomes talented individuals with the following qualifications: integrity, honesty, and a strong sense of professional ethics and morality; identification with CIC's corporate culture and a strong desire to grow with the company; extraordinary business competence and professional expertise; passionate and innovative, ready to take on responsibilities and challenges; good communication and teamwork skills.

CIC has developed a range of sound human resource policies on positions, corporate hierarchy, and performance appraisal, which offer clarity on job descriptions and specialized requirements for different positions.

As an important rule of the Company and the foundation of our culture, the Code of Conduct explains the basic principles of important matters and puts forward detailed requirements regarding the protection of the Company's reputation, interests, assets, and information. All employees shall comprehend, accept, and follow the Code of Conduct upon joining CIC.

In addition, CIC formulated the Guidelines on Preventing Conflicts of Interest in accordance with applicable laws and regulations, as well as corporate rules, in a bid to help employees identify and prevent conflicts of interest in performing his or her duties, promote integrity and compliance at the workplace, and manage ethical risks and reputation risk of the institution as a whole.

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

CIC has adopted corporate policies including the Code of Conduct, the Guidelines on Preventing Conflicts of Interest, the Opinions on Strengthening the Management of Investment Partnerships, the Rules for External Manager Evaluation, and the Auditing Rules for Recruitment of Intermediary Agencies to regulate, and prevent conflicts of interest arising from, interactions with third parties, which selected from the public on economic and financial grounds, in terms of due diligence, post-investment management, procurement, and partnership maintenance.

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

Pursuant to CIC's Articles of Association, the Company shall operate in compliance with applicable laws and regulations, appropriately bear the cost of the funds received from the government, enhance its operating results and establish effective corporate governance. The Company shall separate its commercial activities from governmental functions, make its business decisions independently and operate on commercial basis. The Company bears civil liabilities to the extent of the total assets held by it as a legal personality.

As a responsible investor, the Company abides by applicable laws and regulations in recipient countries, actively fulfills its corporate social responsibilities, and meets its legal obligations of disclosing information in an appropriate, accurate, and timely manner to regulatory agencies, specific entities, and the general public.

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

Disclosure is made through the public disclosure channels mentioned above (www.china-inv.cn/chinainven/Media/Press_Releases.shtml).

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

Disclosure is made through the public disclosure channels mentioned above (www.china-inv.cn/chinainven/Media/Press_Releases.shtml).

Pillar 3: Investment

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Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

Four principles underlie our investment activities. We invest on a commercial basis. Our objective is to seek maximum returns for our shareholder within acceptable risk tolerance. We are a financial investor and do not seek control of the companies in our portfolio. We are a responsible investor, abiding by the laws and regulations of China and recipient countries and conscientiously fulfilling our corporate social responsibilities. We pursue investments based on in-depth research within our asset allocation framework to ensure a prudent and disciplined decision-making process.

CIC follows a set of investment philosophies, which is firmly based on its institutional characteristics and understanding of investment management. CIC takes a holistic and disciplined approach to strategy design and portfolio construction, analysis, and management to ensure a well-disciplined portfolio with integrity and stability. As a long-term investor, CIC is well positioned to withstand short-term market volatilities and capture illiquidity premiums. CIC continues to pursue risk diversification by spreading allocation across asset classes and sectors in a bid to reduce portfolio volatility and curb downside risks.

As a large, long-term institutional investor, CIC has always attached great importance to constructing a simple, transparent, and resilient portfolio, and made ongoing efforts to optimize asset allocation and portfolio management. CIC adopts the "Reference Portfolio - Policy Portfolio - Actual Portfolio" framework for asset allocation, and takes a holistic and disciplined approach to strategy design and portfolio construction, analysis, and management to ensure portfolio integrity and stability. The return on the total portfolio is determined by reference portfolio selection, policy portfolio construction, and actual portfolio management.

The Reference Portfolio consists of public market equity and fixed-income indices and anchors the long-term neutral risk target of the total portfolio.

The Policy Portfolio introduces additional asset classes and serves as a medium- to long-term neutral portfolio for improved returns and risk diversification; manages intra-asset allocation to optimize the investment footprint across geographies, sectors, industries, themes, and risk attributes; and further enhances the risk-return profile through dynamic allocation adjustments.

The Actual Portfolio ensures the effective implementation of the policy portfolio by managing total portfolio exposure and generates alpha via active management by the investment team

The above-mentioned information is disclosed via the public disclosure channels (www.china-inv.cn/chinainven/Media/Press_Releases.shtml).

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

As a long-term investor that invests on commercial basis, CIC has adopted sound investment decision-making policies and total portfolio authorization plans and sought to continuously optimize its management tools and decision-making standards and processes. The Company has developed a sound, disciplined, and efficient investment decision-making framework that gives due consideration to quality, efficiency, and compliance. This decision-making framework underpins our ability to make well-structured, professional, and effective overseas investments (www.china-inv.cn/chinainven/Governance/Articles_of_Association.shtml).

The above-mentioned information is disclosed via public disclosure channels.

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

Pursuant to the Articles of Association, the Company operates independently on commercial basis without seeking to gain competitive advantages by using privileged information or government influence.

Strict firewalls separate the overseas investment activities of CIC International and CIC Capital and the domestic equity management operations of Central Huijin.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

The Company is a financial investor that does not seek control of the companies in its portfolio. This is one of the fundamental investment principles that the Company has consistently emphasized in its public disclosures.

The Company has put in place post-investment management policies including on proxy voting and post-investment management monitoring to regulate the exercise of shareholder rights and ensure compliance with internal rules as well as applicable laws and regulations in its post-investment management activities.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

Pursuant to the Rules of Procedure for the Board of Directors, the Company reports key matters such as investment performance to the directors through Board Meetings or Interim Board Meetings. Regular Board Meetings are held at least twice a year, and the Chairman can call Interim Board Meetings as needed.

The Company has formulated the Overseas Portfolio Investment Guidelines, the Overseas Investment Performance Appraisal Rules, etc. In 2011, the Board of Directors extended the investment horizon to 10 years and adopted rolling annualized return as a key indicator for evaluating CIC's performance. Performance of investment teams is appraised by strategy/portfolio/deal, with respect to asset allocation and investment objectives. The appraisal results of each team and department are reviewed by the Company's management.

Pursuant to the Rules for Asset Allocation and Investment Policy Committee and as authorized by the Executive Committee, the Asset Allocation and Investment Policy Committee regularly evaluates key indicators of the Company's overseas investment, including performance targets, reference portfolio, risk tolerance, etc. Members of the committee include: Chairman, President, Executive Vice Presidents, and the heads of relevant departments. In addition, the Company regularly issues internal reports such as the Investment Return Brief and the Weekly Report on Investment Risk to provide updates on the performance of the total portfolio in a timely manner.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

As a founding member of the International Forum of Sovereign Wealth Funds (IFSWF) and one of the institutions that formulated the Santiago Principles, CIC has consistently upheld its commitments to the Santiago Principles and performed regular reviews of its implementation of the GAPP.