



*Benefiting the Nation and
Creating A Shared Future*

China Resources (CR) Enterprise

Social Responsibility Report 2020



Introduction

Report Cycle

The report is the eighth social responsibility report released by China Resources (CR) Enterprise.

Time Range

The time span of this report is from January 1, 2020 to December 31, 2020, and some contents are beyond this range.

Organization Scope

The report discloses the concepts, measures and performance of China Resources Enterprise and its affiliated interest centers in fulfilling social responsibilities. Part of the contents involves China Resources (Holdings) Co., Ltd. For the convenience of expression, China Resources (Holdings) Co., Ltd. in this report is expressed as “China Resources Group” “CR” or “the Group”; China Resources (CR) Enterprise is expressed as “CR Enterprise” “CRE” or “the company”.

In 2021, CR Enterprise promoted the business transformation and organizational changes, divested the three profit centers - China Resources Snow Breweries Limited, China Resources Ng Fung Limited, and China Resources C'estbon Beverage (China) Co. Ltd. and placed them under the direct management of China Resources Group. The report spans from January 1 to December 31, 2020, so relevant performance data still include the above three profit centers.

Reference Standards

- *United Nations Sustainable Development Goals (SDGs)*
- International Organization for Standardization (ISO), *ISO 26000 Guidance on Social Responsibility*
- Global Reporting Initiative *Sustainability Reporting Guidelines (GRI Standards)*
- GB/T 36001-2015 *Guidance on Social Responsibility Reporting*
- State-owned Assets Supervision and Administration Commission of the State Council (SASAC) *Guiding Opinions on Central Enterprises in Performing Social Responsibilities*
- Chinese Academy of Social Sciences *Chinese Corporate Social Responsibility Report Preparation Guide (CASS-CSR4.0)*
- China Resources Group *13th Five-Year Social Responsibility Planning and Social Responsibility Management Measures*
China Resources Group Social Responsibility Work Management Measures

Information Sources

The data used in this report comes from the official documents and statistical reports of CR Enterprise, and has passed the review of relevant divisions. If there is any discrepancy between the financial data and the annual report, this annual report shall prevail. If there is any difference between the data in this report and the previous reports, the current report shall prevail. The financial data in the report are in HKD, unless otherwise specified.

Compilation Process



Reliability Guarantee

The company promises that there are no false records, misleading statements or major omissions in the contents of this report, and it is responsible for the authenticity, accuracy and completeness of the report.

Access Method

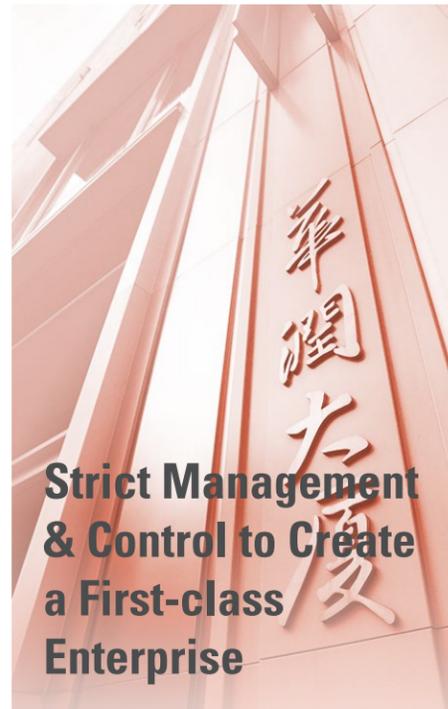
The report is available in both Chinese and English, and is published in electronic and paper versions. You can read the e-version of the report on the official website of China Resources Enterprise <https://www.cre.com.hk/> Social Responsibility column, or the official WeChat account of China Resources Enterprise, or you can contact us for a paper version of the report.

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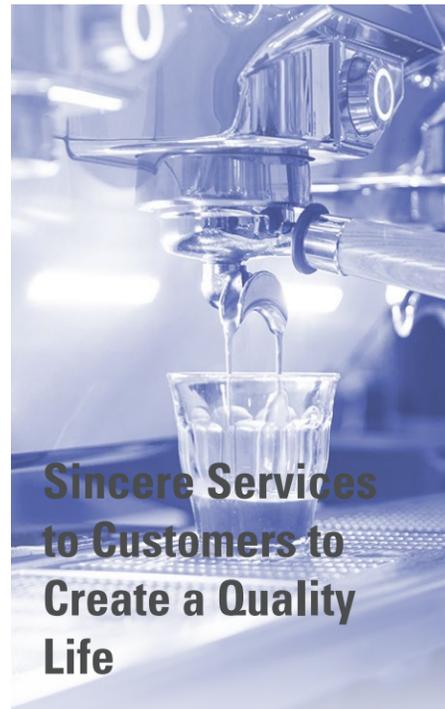
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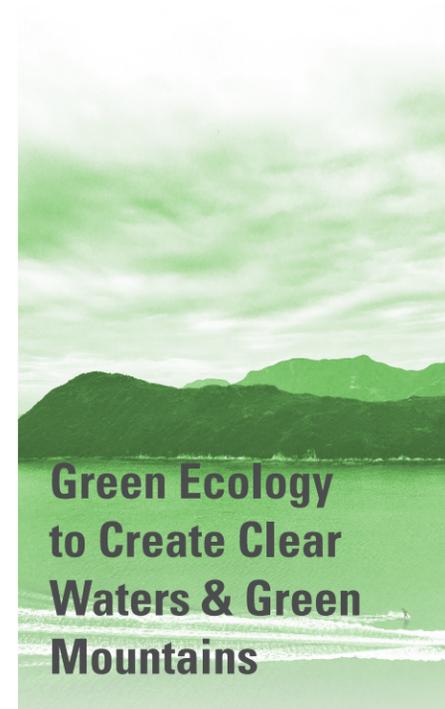
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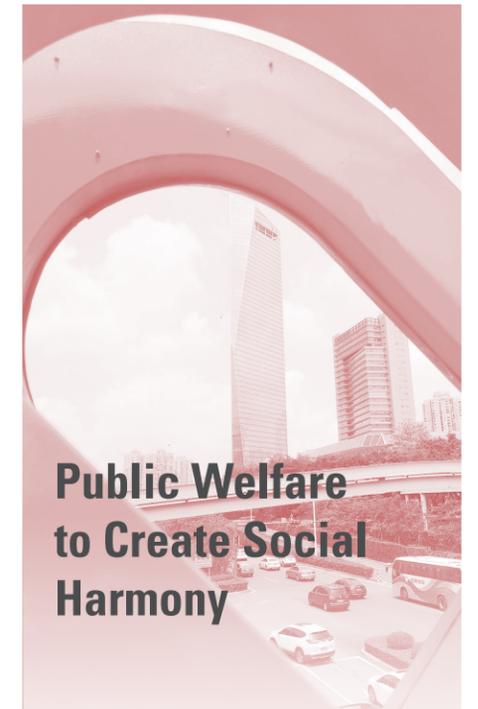
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— — **Chen Ying**,
CEO of China Resources Enterprise

Letter from the CEO

Work Together to Create a Shared Future

2020 has been an extraordinary year. Major changes unseen in a century have accelerated across the globe; meanwhile, China's domestic and external environments have undergone profound changes. In this context that was full of challenges and trials, we have been hardworking, diligent, courageous, and committed to fulfilling our responsibilities, firmly working with all parties to "lead the business progress and build a better life together" and playing an active role in guaranteeing the "big nation's livelihood".

Throughout the year, we have worked together to fight the epidemic, stepped forward at critical moments and took quick actions, ensured the people's basic livelihood, and maintained normal economic and social order through various measures; over the past year, we have stayed true to our original aspiration and made efforts to benefit the people of Hong Kong, further improved the business strategic plan in Hong Kong, expanded and strengthened the Hong Kong business to facilitate the long-term prosperity and stability of Hong Kong; in last year, we have taken actions on reform and innovation, forged ahead to improve the incubation and operation of the consumer goods industry, and strove to achieve high-quality development, so as to become a global enterprise that is trusted and loved by the public.

CR Enterprise seeks stable operation and insists on reform and innovation to create a valuable future. In accordance with the overall requirements of the China Resources Group's "13th Five-Year" Planning, we continue to improve corporate governance, optimize systems and procedures, strengthen compliance awareness, take strict risk control, and consolidate the foundation for sustainable development with stable operations; we actively promote strategic transformation, focus on the main business, build an intelligent platform and a lean culture, and use lean management to accumulate momentum for high-quality development. In 2020, the company's total assets reached HK\$ 108.917 billion, with an operating income of HK\$ 59.679 billion, creating long-term and stable value returns for shareholders.

CR Enterprise makes meticulous works and offers sincere services to create a quality future. We take the people's yearning for a better life as our goal, adhere to technological innovation, promote consumption upgrades, explore online service channels, improve overall service quality, and bring customers a better life experience with high-quality products and sincere services. In 2020, we have increased investment in independent product research and development, and built a diversified product system; we have improved

the quality control, and the aquatic products business division has taken lead in the industry to achieve the goal of transparent management of the entire food chain; we have improved the customer service system through electronic intelligence management to optimize the service process, earning the trust and satisfaction of consumers wholeheartedly.

CR Enterprise pools the wisdom and works together to create a win-win future. We actively carry out strategic cooperation to create a high-quality industrial development ecology; adhere to fair trade to promote the orderly and healthy development of the industry. In 2020, we have realized internal collaboration with China Resources Bank, China Resources Land, and China Resources Vanguard, and achieved strategic cooperation with Shenzhen Broadcasting Group, Fenjiu Group, Guangzhou Nansha Modern Agricultural Industry Group and other enterprises to continuously optimize consumption and supply, serving the "dual-cycle" new development pattern; we have improved the management system for suppliers and distributors, carried out a variety of capacity improvement activities, built a reliable supply chain, so as to seek common development and win-win collaboration with our partners.

CR Enterprise cares for the employees in fulfilling their dreams to create a human-oriented future. Talents are an important driving force for enterprises to move forward. As the company seeks to deepen its reform and opening up and reshape its strategic goals, the role of talents must be given full play. In 2020, we have improved the services for employees, safeguarded the basic rights and interests of employees, and protected their occupational health; we have implemented a hierarchical talent cultivation model, built a first-class talent team, and realized the common growth of employees and the company; we have also used such activities as "warming the heart" for the daily assistance and care for employees, strengthened Hong Kong employees' recognition of Chinese traditional culture and the country, so as to create a heart-warming, harmonious and cohesive workplace.

CR Enterprise adopts green development and cares for the ecology to create a low-carbon future. The green transformation of China's economic development has moved from high speed to high quality. We actively respond to the national green development strategy, and improve the environmental management system guided by the realization of sustainable development; integrate the green concept into the daily production and operation process, and practice energy saving, consumption reduction, emission reduction and pollution

prevention; organize various environmental protection training and public welfare activities to improve employees' awareness and capability of green development. In 2020, the company won the gold award in Hong Kong Green Enterprise Award 2020 "Environmental, Health and Safety Excellence Award" and the bronze award in "Superior Environmental Management Award (Corporate)"; China Resources Logistics, CRE Properties, Pacific Coffee Mainland, Pacific Coffee Hong Kong have also won the award in corresponding categories; and Pacific Coffee was certified as a "Hong Kong Green Organization (2020-2022)" by the Environmental Campaign Committee.

CR Enterprise feels grateful for the homeland and serves the Greater Bay Area to create a harmonious future. Dedication to a better society is our commitment and responsibility. We respond actively to the national development plan for the Guangdong-Hong Kong-Macao Greater Bay Area, and strengthen China Resources Group's positioning of "based on Hong Kong, relying on the Mainland, and facing the world" to serve the people's livelihood; we focus on the four key strategic measures to allocate resources, build a brand, and launch new products and shops to fully promote CRE's major projects in the Greater Bay Area; we launch the recruitment plan for the "Spring Bamboo Shoots" project, carry out various recruitment activities to attract talents, and provide employment opportunities for Hong Kong youths; and we are enthusiastic about social welfare. Focusing on rural development, in 2020, we helped 9 impoverished counties get out of poverty with our help, making our contributions to winning the battle against poverty and promoting rural revitalization.

The journey is long, but there is only a struggle. 2021 is the year to set sail for the realization of China's 2035 great vision and the second centenary goal. It is the first year of the new journey of building a modern socialist country in an all-round way. It is also the key year for CRE to open up a new development situation based on the new stage of development. China has formulated the "14th Five-Year" strategic plan and the three-year action plan for state-owned enterprise reform, which draw a blueprint and vision for future development of CRE; the group has reshaped its strategic positioning and business model, which set higher requirements and goals for CRE. Living in this great era, our hearts are beating with the surging times. We will remain true to our original aspiration, keep our mission firmly in mind, and work hand in hand with all parties to fulfill our responsibilities and to create a new chapter together!

Into CR Enterprise

About us

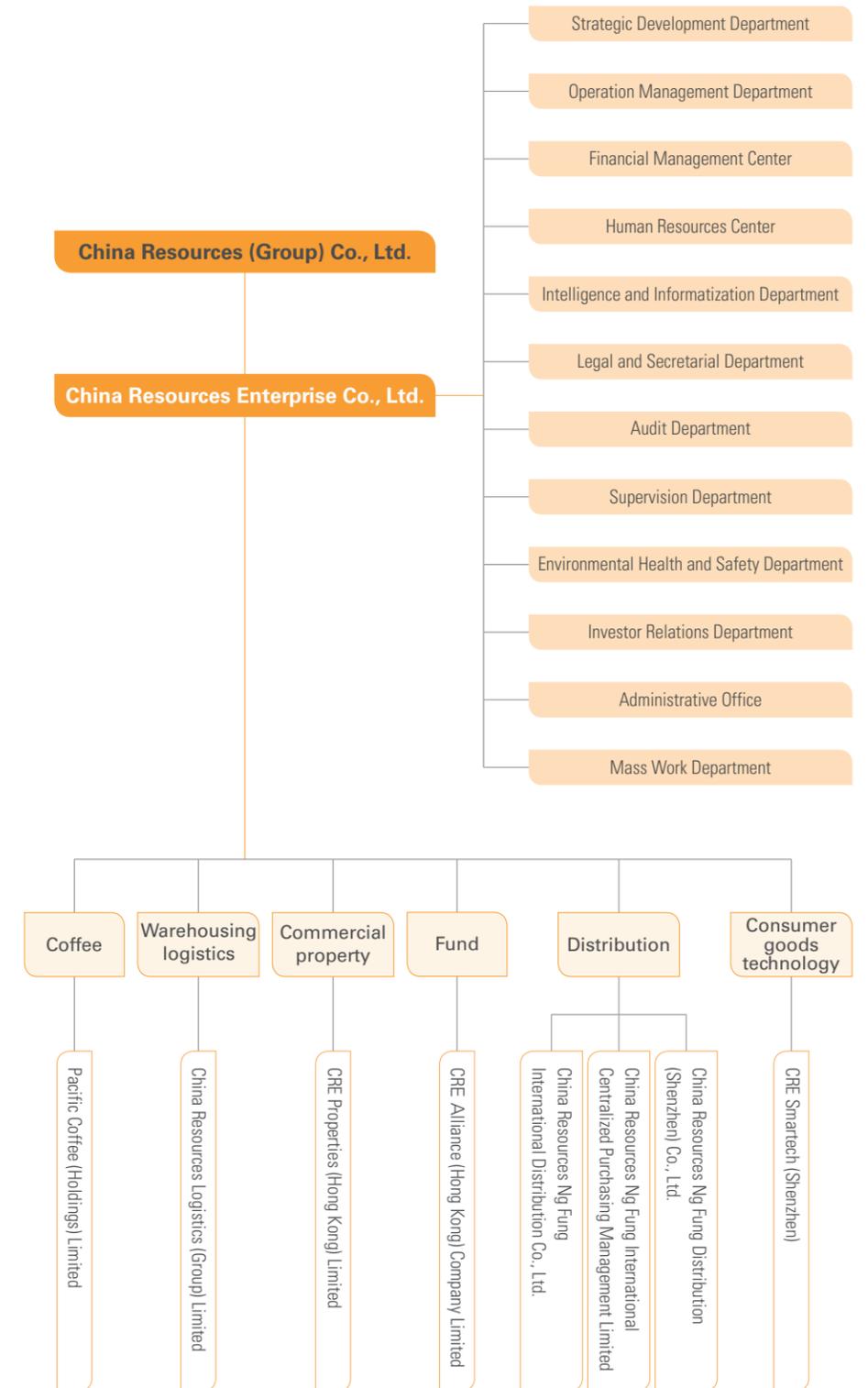
In September 1992, China Resources Group (CR Group) invested Winland Investment Limited, a listed company in Hong Kong, and renamed it as "China Resources Enterprise, Limited (CR Enterprise)". CR Enterprise was among the first Chinese enterprises to be listed in Hong Kong. As the first listed company of CR Group, CR Enterprise initiated a new era of Chinese companies entering international capital market. Through M&A, joint ventures, spin-offs IPO, asset replacement, CR Enterprise has facilitated CR Group on industrial transformation to drive faster business growth.

Since its establishment nearly 30 years ago, CR Enterprise has successively involved in mergers and acquisitions in 15 industries such as beer, real estate, consumer goods, retail, gas, and cement. CR Enterprise incubated and span off 4 listed companies for CR Group, including CR Land, CR Gas, CR Cement and CR Beer, maintaining its sound and professional image in the capital market.

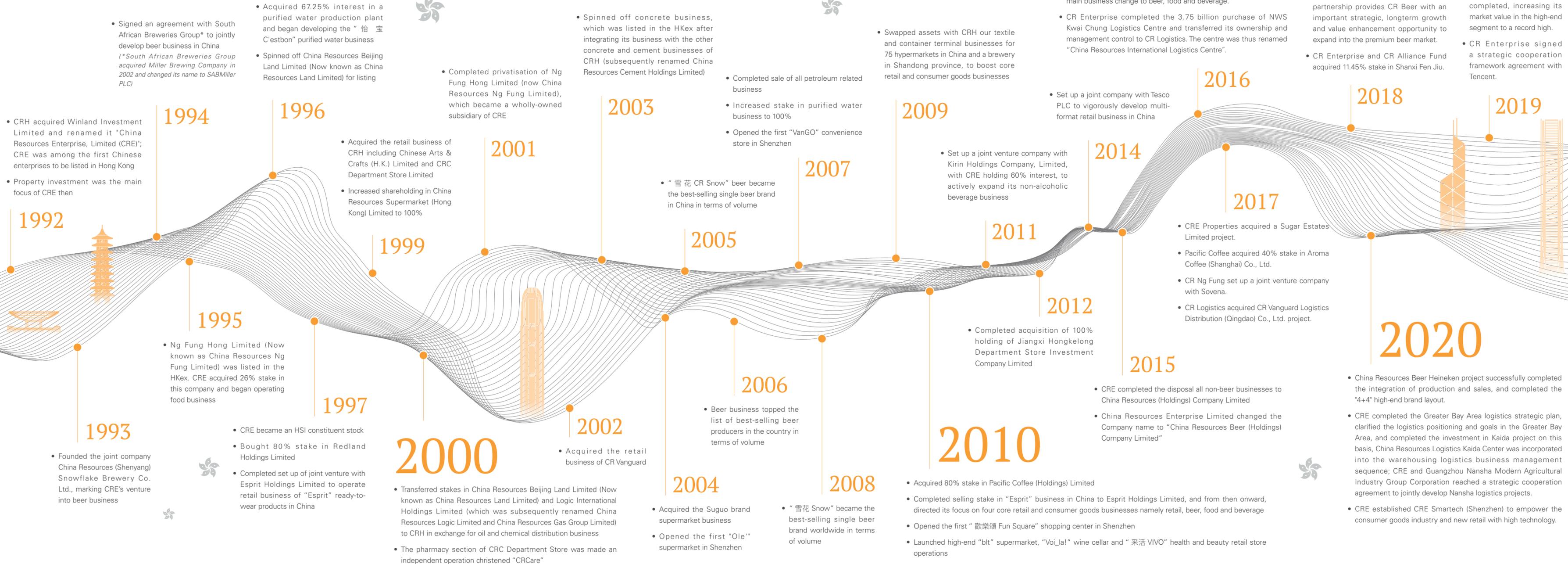
Since 2010, CR Enterprise has been greatly focusing on consumption sector and diversifying its businesses in various industries. CR Enterprise has cultivated and incubated Snow Beer, C'estbon Beverage, CR Ng Fung, and CR Vanguard, which are household brands in the country. CR Enterprise currently owns businesses such as CR Logistics, Pacific Coffee, CRE Property, Consumer Goods Funds, Global Distribution, CR Enterprise Smartech and other businesses.

During the 14th Five-year Plan period, CRE is positioned as a Hong Kong and International business platform, incubating domestic and foreign new industries for CR group. CRE serving the nation's strategy from Hong Kong, seizing the opportunity for consumption upgrade and science technology innovation, and participating in China's dual circulation economic strategy.

Organization Structure

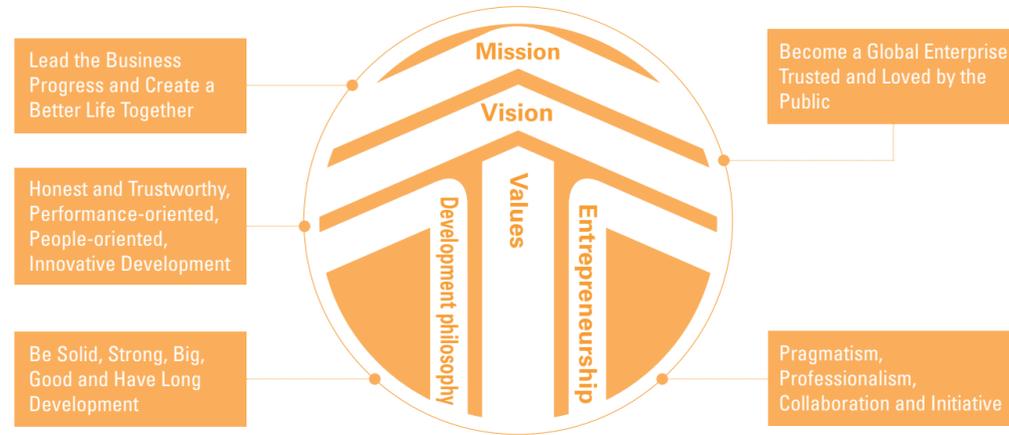


Development History



Corporate Culture

The company builds a cultural philosophy system of CRE, clarifying the five elements of corporate mission, corporate vision, core values, development philosophy and corporate spirit, which are answers to the five questions of “why exists” “where to go” “how can we proceed” “what should we follow” and “what kind of mental outlook and behavioral style should we possess”. We should use culture to gather strengths and work together with consumers, shareholders, employees, and business partners for a sustainable future.



China Resources Corporate Culture Slogans

Basing on the tradition and making innovations, only by sticking to the right path can go further

Ensure the quality of products, develop to be flexible

Seek profits through legitimate means and benefit China

Work with you to change your life

Memorabilia 2020



Pacific Coffee won the “2019 Hong Kong Awards for Environmental Excellence Gold Award” issued by the Hong Kong Environmental Campaign Committee.



CRE released its 2019 Social Responsibility Report and received a five-star evaluation.



China Resources Logistics Kaida Center was officially put into operation.



CRE participated in CR Group's special recruitment activity themed “Fight Against Epidemic and Keep Stable Employment” in Hubei Province.



CRE won two CR Group's 2019-2020 EHS Awards, including the Effectiveness Awards for Product Internal Control Quality Standard Improvement Project and the Employee Contribution Star.

June

August

September

January

March

October

November

December

CRE held a seminar on strategic review during the period of the “13th Five-Year Plan”.



CRE won the 2020 Tencent News “China Benefit Corporate” Poverty Alleviation and Innovation Outstanding Enterprise Award.



CRE won the “Responsibility Golden Bull Award - Most Influential Responsible Brand Award” at the third Beijing Responsibility Exhibition.



CRE won the gold award in Hong Kong Green Enterprise Award 2020 “Environmental, Health and Safety Excellence Award” and the bronze award in “Superior Environmental Management Award (Corporate)”; China Resources Logistics, CRE Properties, Pacific Coffee Mainland, Pacific Coffee Hong Kong have also won the award in corresponding categories organized by the Environmental Campaign Committee.



Sugar Street Project - the latest reconstruction project by CRE Properties to respond to the CR Group's “Reshaping Hong Kong Business” development strategy was officially topped out.



Fight Against the Epidemic Together to Promote the Well-being of All the People

“In the face of a sudden and severe epidemic, the Chinese people rose to the challenge, shared the weal and woe, and united to build a solid line of defense for the prevention and control of the epidemic”.

- Xi Jinping

Share the weal and woe, fight the epidemic together

Facing the COVID-19 epidemic, we rose to the challenge and fought the epidemic together. CRE pooled wisdom and united to help each other, fulfilling its mission of acting as the responsible “main force” and the “national team”.

Overall planning and rapid deployment

In 2020, the COVID-19 epidemic was suddenly raging. Fighting against the epidemic is the order, and prevention & control is our responsibility. CR Enterprise quickly deployed epidemic prevention & control work, scientifically prevented and implemented precise policies, established an epidemic response working group, organized 7 special working meetings, compiled and issued 4 epidemic prevention & control guidelines, and submitted 436 epidemic daily reports, briefings, and weekly reports. The company conducted 18 inspections led by leaders, internally promoted 25 articles about good experiences in epidemic prevention & control, built a strong anti-epidemic fortress with strong organizational strength, and made due contributions to winning the epidemic prevention war.

Emergency aid and joint efforts to fight the epidemic

At the time of the epidemic crisis, CRE made full use of its own advantages to actively assist areas with severe epidemics such as Wuhan, and used practical actions to win the battle of epidemic prevention & control. International Distribution and marketing joint partner donated 3,000 boxes of milk, equivalent to about RMB 650,000 to Wuhan's first-line medical staff, and donated fruits worth about RMB 320,000 to hospitals in Wuhan's epidemic area; Pacific Coffee donated 3,200 cups of hanging ear coffee to two hospitals of Wuhan Iron and Steel Company Limited. Coffee, juice, light meals and other materials worth about RMB 144,400 were given to 91 units of medical systems, transportation hubs, community streets, and public properties. As of March 2020, CRE has donated approximately RMB 21.56 million in cash and materials for the fight against the epidemic.

People-oriented and United Efforts

CRE adheres to the people-oriented philosophy, working together and participating together, and doing its utmost to ensure the physical and mental health of all employees and customers. We have actively encouraged employees to protect themselves, purchased masks, disinfectants and other anti-epidemic materials in a timely manner to ensure the safety of front-line employees and customers who provided services; offered online courses on “Stress and Emotion Management under the Epidemic” and psychological consultation to employees by answering their questions via a hotline to guarantee their mental health; organized anti-epidemic public welfare activities, such as the campaign on sending love and warmth to the elderly who were living alone, and to the community-level residents by sending anti-epidemic packages. The CR Logistics Association assisted the Group's sorority to complete the packaging and mailing of more than 3,000 epidemic-prevention Chinese medicine kits and sent warmth to more than 1,500 families of the Group in Hong Kong during the severe epidemic period.

Return to work together, actively and orderly

CRE adheres to the prevention & control of the epidemic and also the production and operation at the same time. On the premise of ensuring its own protection, the company actively and orderly promoted the resumption of work and production via a combination of online and offline methods, and ensured stable production and operation. Department of Intelligence & Information Technology provided employees working from home with many collaborative office tools such as “CR Job” “Shared Cloud Disk” “Rmeet” and “Webex” and provided remote one-to-one IT services to ensure a smooth resumption of work. The short video of CRE's resumption of work and production was broadcast on 2 subway lines and 18 stations, covering the central area of Changsha, the capital city of Hunan Province, with a total of 24 LED screens.

Go all out to ensure supply and stable prices

The epidemic is the order, post is the battlefield and perseverance is the responsibility. As a central enterprise that guarantees the supply of people's livelihood, CRE insists on maintaining the prices, quality, and stable supply of various livelihood products during the epidemic prevention & control period, so as to maintain market stability and meet people's livelihood needs. During the Spring Festival, The Hong Kong Division of International Distribution received approximately 3,050 tons of goods into the warehouse, the total number of vehicle delivery stores reached approximately 5,800, and approximately 305,000 pieces of goods were delivered. The throughput of the self-operated warehouse reached 1,618 tons. Storage and Transportation department maintained the storage, distribution, processing and logistics services to the Hong Kong market and provided Hong Kong citizens with safe, high-quality, and low-cost food; Xili Factory of the Fruit Division responded to the call and joined the vegetable basket guarantee supply and stable price platform organized by the Shenzhen government. During the epidemic prevention & control period, work has never stopped. From January 24 to February 18, 2020, the Xili factory supplied 106 tons of fresh fruits to supermarkets in Hong Kong, with timely delivery but no increase in price.

Join hands with partners to overcome difficulties

CRE fulfills its social responsibilities with central enterprises, joins hands with all stakeholders to overcome difficulties, and contributes to the smooth operation of the country's economy and society. Based on the principle of “joining hands with partners to overcome difficulties together” CRE Properties has implemented rent reduction plans in response to the leasing requirements of different customers. In 2020, the rent reduction for tenants reached HK\$ 18.5 million, benefiting 247 tenants.

Quick and effective response to emergency

In June 2020, when infectious cases were discovered in Beijing, the salmon industry encountered the negative impact of the epidemic. CRE's Aquatic Products Platform Division, upholding the concept of "prevention first, risk management" and the people-oriented principle, responded immediately and communicated timely to meet the requirements of the government policies and to safeguard the bottom line of cold chain food risk prevention & control standards. The company strengthened the whole process control of production and operation, improved raw material receiving standards, standardized logistics and warehousing management, consolidated raw material traceability management, and tracked the factory, quarantine certificate, and nucleic acid test certificate of each batch of raw materials. Meanwhile, the company carried out vaccination work for key workers. As of the end of 2020, 29 employees in the Aquatic Products Platform Division who have direct contacts with imported cold-chain food have completed the vaccination.

Take multiple measures to fight the epidemic

As the peak period of the COVID-19 epidemic in China's mainland has passed, epidemic prevention & control works have become normalized. CRE has formulated measures to normalize epidemic prevention & control, for instance, adhere to daily health registration, regularly hold regular epidemic prevention meetings, provide employees with anti-epidemic kits, carry out daily disinfection work in office areas, and set up disinfection and protective equipment areas. The company has newly compiled "Special Emergency Plan for Public Health Emergencies" and arranged personnel to carry out epidemic prevention & control publicity and psychological counseling training, checked the implementation of epidemic prevention & control measures, and strengthened the health awareness and emergency response capabilities of all employees. The company has also actively responded to the government's calls for nucleic acid testing and staying where they are to celebrate the Chinese New Year; strengthened public opinion monitoring, and signed the epidemic prevention & control commitment letter with the partners to improve the ability to control risks.

We are united to take actions

Though viruses are ruthless, there is love in the world; courageous and determined, we are invincible. Since the start of the fight against the epidemic, CRE employees have joined hands to fight with dedication and built a security wall for the well-being of the whole nation.

@CRE Strategic Development Department, Huang Wanying

Do every little thing well and fight the epidemic with silent efforts

"As the department's contact person for the epidemic response work, my preliminary task is to know every colleague's health condition in the department, notify them of the latest requirement of the company, and remind everyone to fill in the information in time by timely communication. I have to cooperate with other departments to collect basic information, including the colleague's travel information and return plans during the Spring Festival. After work resumption, I assisted colleagues to work remotely to ensure that all tasks during the epidemic prevention & control period carry out smoothly and orderly. A trivial matter is also the practice of benevolence. Everyone can fight against the epidemic with silent efforts until we succeed".



@CR Logistics, Wang Xueying

Strive to protect the safety and health of every employee!

"As a central enterprise in Hong Kong, our employees come from different places in China's mainland and Hong Kong. Strictly guaranteeing the safety of employees and ensuring the smooth operation of the company is the mission of our administration department. I led my colleagues to actively deploy and discuss how to deal with this severe test, cooperated with relevant departments to carry out a series of epidemic prevention & control measures, and reminded employees to make preparation and learn epidemic prevention knowledge via posters and broadcasting videos".

@Pacific Coffee, Liao Yun

Buy enough masks at the first time to ensure the health and safety of partners and customers

"When the epidemic broke out, I realized the severity and importance of the problem for the first time. I immediately rushed to dozens of pharmacies and purchased more than 1,600 masks, which were distributed to stores across Guangzhou during the Spring Festival, protecting my colleagues who were working on the front line. During the most severe period of the epidemic, 2,000 masks were purchased for our partners at stores and delivered to those stores in shortage across Guangzhou, and expedited express delivery to partners in Xiamen and Zhuhai. I have also contacted overseas suppliers to buy temperature measuring guns for stores in Nanning, Xiamen, and Zhuhai that are in dire need, hoping to ensure the safety of partners and customers during the epidemic prevention & control period".



@The Hong Kong Division of International Distribution, Gan Hong

Work overtime to ensure a stable supply in the Hong Kong market

"The epidemic broke out during the Spring Festival, causing most of the goods in short supply. The demand for rice in the Hong Kong market increased rapidly. To meet the requirement of our customers and to stabilize the market, as well as assisting the brother companies to solve the sudden purchase problems, I immediately collected all the delivery addresses and orders, worked overtime with sales colleagues every day, and raced against time to type the order information into the system, so that the products can be provided to the market as soon as possible. I also led the sales colleagues to contact all suppliers and local customers to reschedule the sales plan for all products, asked suppliers to rearrange production and replenishment in accordance with local epidemic prevention & control requirements to ensure the stable supply in the Hong Kong market".

Fulfill the Dream of the Greater Bay Area to Speed up the Growth of the Youths

“It is necessary to make full use of the major cooperation platform between Guangdong, Hong Kong and Macao to attract more Hong Kong and Macao youths to study, work and live in the Mainland, and promote extensive and comprehensive exchanges and in-depth integration of youths from Guangdong, Hong Kong and Macao, and strengthen the centripetal force for the motherland”.

- Xi Jinping

When you taste a cup of Pacific coffee, have you ever imagined that it has the magic of fulfilling your dreams? CRE has actively participated in the construction of the Greater Bay Area and responded to the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” to provide youths with opportunities for entrepreneurship, employment, internship, and volunteer work in the Greater Bay Area, and promote youth exchanges and friendships. With the call of supporting Hong Kong and Macao youths to integrate into the country and participate in the national construction, the subsidiary profit center of Pacific Coffee cooperated with the Hong Kong College of Technology to launch the first entrepreneurship training program - “Dreams” Coffee Entrepreneurship in the Greater Bay Area, helping the youths to set sail for their dreams.

Enlightenment to support youths in the Greater Bay Area to become talents

Based on CR’s rich industrial resources in the Greater Bay Area, the “Dreams” program combined with the expertise of the Hong Kong College of Technology in talent cultivation and subject research, explored the aspiring Hong Kong youths who have the ambition to develop in the Greater Bay Area, and offered them with help in the form of industry-academic cooperation, which not only expands the potential market for their careers, but also injects vitality into the prosperity of the Greater Bay Area.

The “Dreams” program will provide Hong Kong youths with various support including training and learning, internship opportunities, living allowances and investment funds, which covers the three important stages of training, internship and entrepreneurship. During the training period, the Hong Kong College of Technology and China Resources Coffee Academy will provide selected potential trainees with a full range of operation and management training; during the internship period, the trainees will receive living allowances and internship wages



Adventure Activities Day Campaign



Entrepreneurs’ Experience Sharing

similar to Hong Kong’s living standards, enabling them to pursue their dreams at the Pacific Coffee shop at the Greater Bay Area; during the entrepreneurial period, trainees will make business proposals on the basis of pre-training and internships, and compete in the entrepreneurial competition. The viable plan will receive the venture capital of RMB 1 million, with assistance in various aspects from shop location selection to legal consulting and accounting, so that youths can realize their “coffee dreams”.

In 2020, under the impact of the COVID-19 epidemic, the “Dreams” program still attracted nearly 800 young people to sign up. After 3 rounds of selections, 30 finalists started their initial training in Hong Kong. The “Dreams” program used professional and scientific diversified curriculum design to help trainees discover their own potential during the training period, organized personality dimensions workshops, enhanced trainees’ self-awareness, and the ability to make rational career development plan; designed adventure and challenge training for group members, from which participants can find ideal partners and cultivate trainees’ teamwork ability; carried out challenging field orientation training and wilderness cooking experience, exercised trainees’ toughness and adventurous spirit, and strengthened their adversity-solving ability and adaptability; organized all types of group reports to train youths with their organizing, analyzing and overall planning capabilities; set up an entrepreneurial mentorship system, which invites experienced business professionals in the industry to serve as entrepreneurial mentors and formulate exclusive promotion suggestions based on the students’ conditions, helping them to set sail for their dreams.



On April 19, 2021, the 24 finalists who were selected after the training period set off in Hong Kong and went to the Pacific Coffee Shop in Shenzhen for an internship, setting sail for their dreams.

24 finalists who were selected after the training period set off in Hong Kong and went to the Pacific Coffee Shop in Shenzhen for internship.

Gathering to participate in and facilitate the Greater Bay Area to prosper

Work together to facilitate the new development at the Greater Bay Area and create a new mode of exchange. The “Dreams” program integrates the forces of government, industry and research to create a new model for the integration of the Greater Bay Area and youth entrepreneurship, providing career support for Hong Kong youths who are interested in realizing their dreams, and boosting the prosperity and development of the Greater Bay Area.

@Vice Chairman of the National Committee of the Chinese People’s Political Consultative Conference, Leung Chun-ying

Diversified development opportunities are limitless

“Coffee is an everyday drink. The promotion of coffee programs can encourage Hong Kong youths to start their own businesses in the Greater Bay Area. And it also proves that the Greater Bay Area maintains huge potentials, not just for professionals in the fintech sector, but also in services industries such as the coffee business.

Thanks must be given to CR Group for their efforts in corporate social responsibility. Hong Kong youths should seize the opportunity and make good use of the “new platform, big platform, and good platform” of the Greater Bay Area to strive for a better future for themselves, their families, and Hong Kong society”.

@Director and Secretary-General of CR Group’s Guangdong-Hong Kong-Macao Greater Bay Area Office, Li Haoran

Realize dreams at the Greater Bay Area and share co-prosperity

“Young people in Hong Kong are very popular to open their own cafes, but they always encounter various difficulties such as lack of rent and technology in the process of starting a business. China Resources hopes to use its existing industrial foundation to help them realize their dreams, open stores in the mainland, and learn more about the mainland market and life. This is the original intention of the “Dreams” program.

At the same time, we hope to tell young people in Hong Kong through this project that the Greater Bay Area is not only suitable for IT talents, but for people from all walks of life, who can all find opportunities to realize their dreams.

The journey to dreams needs hard work, and the prosperity of the Greater Bay Area is inseparable from high-quality talents. The trainees selection process is very strict, requiring them to be excellent in a certain field to obtain the project aids. Though opportunities exist in the Greater Bay Area, it can also be a highly competitive region. Only by being good enough and working hard can the dream of personal development, the dream of prosperity in the Greater Bay Area, and the dream of national prosperity be fully realized.

While cultivating talents for the Greater Bay Area, we also hope that the program can absorb the innovative ideas of young people, explore new business models for Pacific Coffee, achieve co-prosperity, and realize the dreams together at the Greater Bay Area”.



Principal of the Hong Kong College of Technology Chen Zhuoxi and Acting Vice-Principal Li Huici exchanged ideas with the trainees



Director and Secretary-General of CR Group’s Guangdong-Hong Kong-Macao Greater Bay Area Office Li Haoran exchanged ideas with Principal of the Hong Kong College of Technology, Chen Zhuoxi, and trainees

@Principal of the Hong Kong College of Technology, Chen Zhuoxi

A new model of entrepreneurship for the talents

“Many grassroots youths in Hong Kong lack sufficient opportunities for upward development, but the Greater Bay Area has brought them new opportunities. As the cradle for cultivating professionals in social sciences in Hong Kong, the Hong Kong College of Technology has chosen to work with China Resources and cooperated with the industry and academia to jointly explore new models for the development of Hong Kong society.

Different from the unilateral teaching of previous training programs, the “Dreams” program is further integrated with the careers and ideas of young people in Hong Kong, giving them entrepreneurial opportunities and encouraging them to work in cities in the Greater Bay Area. The completion of the internship period in China’s mainland also allows Hong Kong youths to have more time and opportunities to learn about the mainland and strengthen exchanges with young people there. We hope that this groundbreaking cooperation can cultivate the love of homeland among Hong Kong youths, and enable them to combine their own destiny with the development of the country while learning to start a business, and realize that everyone is a member of the community with a shared future. Only with this responsibility can these young people deeply integrated into the construction of the Greater Bay Area, creating their own business and also the future for the Greater Bay Area.

In the process of exploring the new model, we also encountered some unexpected difficulties such as the COVID-19 epidemic. But because of students’ dedication to their dreams, we never thought of giving up, which has also inspired and moved us. We believe that these young people with firm beliefs will become the new hopes of the nation and they are sure to create a bright future for the vigorous development of the Greater Bay Area”.

@ “Dreams” Program Trainee, Zhan Shiyun

Go all out for dreams

“I work as a manager in a small company. I participated in this project just to challenge myself. I always attended learning and training after work. The process was very hard since the school is far away from my home. Sometimes, it was already midnight after class, and when I got home, it was too late. But in order to be better, I never thought of giving up. I am so happy to study with everyone, and I am also looking forward to the internship in China’s mainland”.

@ “Dreams” program trainee, Liang Wenhui

Many opportunities are provided for Hong Kong youths to pursue their entrepreneurial dreams in China’s mainland

“Entrepreneurship needs the joint efforts of a team. The participants have different personalities, so everyone can learn from each other and unite to start a business more efficiently. I hope we can share successful experiences with other Hong Kong youths and tell them that there are many opportunities in the mainland to pursue their entrepreneurial dreams”.



Zhan Shiyun (first, left) and another team member cooperated to finish the work

Strict Management & Control to Create a First-class Enterprise

華潤大廈



Shouldering Responsibility

CR Enterprise fully implements the requirements of the state-owned enterprise's reform and group development strategy, improves corporate governance, and continuously optimizes the governance structure; regulates information disclosure, promotes the institutionalized operation of information disclosure; continues to improve the integrity, compliance, and anti-corruption building, and solidly controls internal risk prevention and control; and uses lean management to facilitate the steady operation of enterprises, and makes unremitting efforts to realize the vision of "becoming a global enterprise trusted and loved by the public".

Benefitting Shareholders

2020 Performance Indicator

Total Assets (One Hundred Million HK\$)

1,089.17

Operating Income (One Hundred Million HK\$)

596.79

Value preservation and value-added rate of State-owned assets (%)

104

Owners' equity (One Hundred Million HK\$)

583.72

01

Creation

Sharing

Build a Solid Governance Foundation

CR Enterprise complies with the relevant requirements of the CR Group, establishes a sound corporate governance system, optimizes the governance structure, discloses compliance information, and continues to consolidate the foundation of the company's development.

Fully regulate and improve the governance system

CR Enterprise strictly implemented the requirements of the Group's "Notice on Further Improving the Construction of the Corporate Governance System" established a special group on corporate governance of CRE, continued to sort out and improve the corporate governance structure, combined the Party leadership and corporate governance, and comprehensively improved the level of corporate governance. CRE promoted the formation of a "1+3" system structure including the "Implementation Measures for Three Important and One Large Decision-Making System" and the "Rules of Procedures for the Board of Directors of CR Enterprise" to ensure scientific decision-making; reviewed and improved the "CRE Power and Responsibility Operation Manual", "List of Major Decision Matters", "Management Measures of CRE's Board of Directors and Supervisors" and other important governance systems of the company, provided a complete reference for the approval process for decision-making on various matters, and prevented decision-making risks in an effective way; promoted the "two-way entry, cross-employment" leadership system, and strengthened the management of directors, supervisors, senior executives and other relevant personnel; made important management decisions through the board of directors and executive meetings, and standardized the management of important meetings of such companies, solidified standard templates, and effectively improved decision-making efficiency.

Scientific and efficient, optimize governance structure

CR Enterprise complies with relevant national laws and regulations and articles of incorporation, establishes a complete and effective corporate governance structure and rules of procedure at the upper and lower levels, clarifies the responsibilities and powers of decision-making, execution, and supervision, and forms a scientific and standardized mechanism for division of responsibilities and checks and balances.

China Resources Breweries established a board committee as an important part of the board of directors. The members of the board of directors are well-balanced in age and length of service, and possess experience and knowledge in different areas, which can help promote the exchanges of professional opinions. The board of directors sets a nomination committee, a remuneration committee, and an audit committee. The chairperson of each committee is held by different independent non-executive directors. Chairperson of the Independent Committee under the Board of Directors, if any, should answer questions at the general meeting of any approved related transactions or any other transactions subject to independent shareholders' approval, to standardize the building of the Board of Directors. Most of the committee members are independent non-executive directors, which can ensure the company's strategic decision-making.

In 2020, CR Enterprise actively promoted the changes of professional committees, completed the changes of 6 special committees including the CRE Internal Control and Risk Management Committee (Risk Control Committee), Procurement Committee, EHS Committee, and CRE Investment and Pre-review Committee, so as to promote all committees better perform their duties and responsibilities.

Communicate sincerely and standardize information disclosure



2020 China Resource Breweries Annual General Meeting of Stakeholders

China Resources Breweries attaches great importance to investor relations management, sincerely carries out investor communication. In accordance with relevant laws and regulations, accounting standards and requirements, it follows the principle of "truth, accuracy, completeness, and timeliness" and standardizes the information approval and process release from the rules for companies listed in Hong Kong, fulfilling the obligation of information disclosure.

China Resources Breweries updates its official website in time, prepares and publishes relevant announcements, midterm reports and annual reports on a regular basis to ensure that the capital market is informed of the company's latest situation and future development plans; the company listens to the valuable advice and suggestions from shareholders through activities related to performance announcement, one-on-one meetings, luncheons and teleconferences, maintaining high-level and high-quality communication. In 2020, China Resources Breweries held approximately 230 meetings with nearly 2,500 fund managers and analysts.

Honors on China Resources Breweries' Corporate Governance and Investor Relations

Awarded the "Most Respected Enterprise" "No.1 of the Best CEO" "No.2 of the Best CFO" "No.2 of the Best Investor Relations Personnel" "No.1 of the Best Investor Relations Team" "No.2 of the Best Environment, Society and Governance" "No.3 of the Best Investor Relations Works" and other honors in the essential consumer goods industry in Asia.

Awarded "Best Investor Relations Award - Essential Consumer Goods)" and other honors in Greater China.

Awarded "Asian Corporate Governance Model" "Environment, Society and Governance Influential Enterprise" "Recognition Awards for Asian Corporate Directors" "Asia's Best CEO - Investor Relations" "Best CFO - Investor Relations in Asia" "Best Investor Relations Company" and "Best Investor Relations Personnel".

Institutional Investor

Hong Kong Investor Relations Association

Awarded "Best Investor Relations Company - Large Stocks" "Best Investor Conference - Large Stocks" "Best Annual Report - Large Stocks" and "Best Environmental, Social and Governance -Environment - Large Stocks" and "Best Investor Relations Specialist - Large Stocks".

IR Magazine

MerComm, Inc.

Awarded China Resources Breweries Annual Report "International ARC Annual Report Award" and "International Galaxy Award" and other honors.

Corporate Governance Asia

Economic Digest magazine

Awarded "Hong Kong Outstanding Listed Company" "Extraordinary Enterprise Award" and other honors.



Investor's Words

With the rapid development of China's economy and continuous improvement of people's consumption levels, the brewery industry has ushered in a high-end trend. As a leading company in the brewery industry, China Resources Breweries is an excellent and outstanding pioneer. The company nurtures deep insight into the industry changes, reshapes the product matrix and brand image, and well organizes the reform to become reality, meeting the needs of consumers and achieving extraordinary achievements. While developing, the company also pays great attention to safeguarding shareholders' rights and interests, and strives to maximize shareholders' value through reasonable and effective market strategies.

- Wang Zhuo, Researcher of Asset Management Consumer Products, Orient Securities

Strict Risk Control

Risk control is the core of an enterprise's safety management. CRE strengthens comprehensive risk control management, enhances audit and supervision efficiency, adheres to integrity and compliance operations, promotes the construction of clean management, and builds a clean and righteous CRE.

Comprehensive risk management

In accordance with the "Implementation Opinions on Strengthening the Construction and Supervision of the Internal Control System of Central Enterprises" released by the State-owned Assets Supervision and Administration Commission (SASAC) and the Group's instructions on risk control work, CR Enterprise has strengthened the construction of the internal control system, optimized the overall risk management, established an internal control and risk management committee, formulated the "Management Measures for Reporting Major Business Risk Events" established a quarterly monitoring and reporting mechanism for major risk, and effectively identified major risks that may be faced in the process of management, production, and operation; strengthened the informationized management and control of risk prevention, explored the use of "digitalization" to study and judge risk trends, promoted the establishment of risk monitoring indicators at headquarters and units at all levels, gave warnings in advance for some major risks to encourage timely response; implemented special risk management to address the coronavirus epidemic, EHSQ and other risks, prepared emergency plans, and adopted appropriate measures to respond; coordinated and organized units at all levels to conduct comprehensive internal control and self-assessment, and timely improved internal control deficiencies in major areas; organized case training for risk management, enhanced employee's compliance awareness, and prevented similar risks from happening.

Strengthen audit supervision

CR Enterprise earnestly implemented the guidance requirements of the SASAC and the Group, formulated the "Guideline for General Supervision System Work" set up a discipline inspection & supervision, and internal audit department, carried out a series of audit & supervision work in accordance with the company's strategy, business needs, internal & external regulations, and internal control requirements, and insisted on full-coverage auditing; promoted the construction of audit information, insisted on audit transformation and innovation, and improved the effect and quality of off-site audits through data analysis, application of remote team collaboration and auxiliary tools for project management and control; strengthened the audit and supervision of overseas enterprises, and organized overseas enterprises to carry out internal control and self-control, as well as evaluation and governance on major risks every year; promoted the audit rectification of profit centers, and continued to improve the construction of the internal supervision system. In 2020, focusing on high-risk areas such as bidding and procurement, investment, engineering, sales, finance, and capital management, the company carried out 12 audit projects of various types.

CRE
employee's
behavior

An auditor with endless learning

CRE's subsidiaries cover highly diverse industries such as coffee, logistics, property, and funds, which poses a challenge to the knowledge structure of an audit employee. Yan Songping and his colleagues have learned the knowledge of sales, procurement, finance, law, IT and other fields, continued to update and enrich their knowledge base, and got familiar with the characteristics of different industries, obtaining CIA, intermediate auditor and other qualification certificates successively to facilitate the company's sustainable development with professional auditing capabilities.



Yan Songping
From Audit Department of CRE Headquarters

Integrity and compliance management

Adhering to the core values of "honesty and trustworthiness" CR Enterprise has established a compliance committee, a leading group for illegal operations and investment accountability, and a leading group for governing enterprises in accordance with the law, and established systems and management procedures such as "legal affairs management system" "legal risk management system" and "temporary regulations on managers buying shares and running enterprises" and "guidelines for trademark management and licensing" so as to promote the establishment of an integrity and compliance system.

Practice integrity

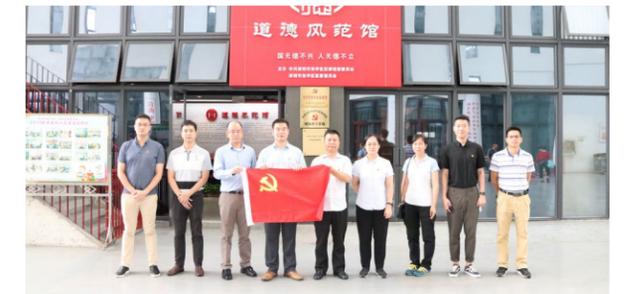
CR Enterprise focuses on the construction of clean enterprise, resists commercial fraud, implements the relevant requirements and arrangements of the central committee of the CPC and the CR Group, and carries out "four majors" special rectification on overseas corruption, interest transfer, rent-seeking, and turning public to private. Focusing on the integrity risks in overseas investment and other prevention and control measures, the company carried out self-inspection and self-correction in important areas and key links of overseas investment and operation, with no violations of overseas corruption or other violations of regulations and disciplines that have been found; conducted anti-corruption education and promoted anti-corruption and integrity with "nourishing hearts by integrity education" activities such as the Education Month to promote the concept of integrity, compliance and discipline, and foster a clean atmosphere for the company.

Establish the spirit of integrity via discussions



A face-to-face honest conversation with the secretary

Practice honesty and expand its wide influence



CR Logistics Nanyang Warehouse organized a visit to the Ethics Museum

Enhance "immunity" to corruption by studying from police cases



Smartech organized employees to learn the spirit of CRE's first warning education conference in 2020

Tighten the "master switch" by anti-corruption learning



CRE Headquarters organized a series of courses on "nourishing hearts by integrity education"

Steady Operation & Development

CR Enterprise is deeply engaged in the construction of lean management, facilitates the company's steady growth via excellent operation, continues to create economic value and returns the trust of shareholders.

Steady growth to create economic value

CR Enterprise has increasingly strengthened its operation and management, continuously optimized its business layout, and strived to create long-term and stable returns for shareholders. In 2020, CRE's total assets reached HK\$ 108.917 billion, with an operating income of HK\$ 59.679 billion and recurring pre-interest and tax profit of HK\$ 5 billion.

2020

Total assets of CR Enterprise
(One Hundred Million HK\$)

1,089.17

The company regularly monitors debt risks, coordinates the financing and credit business units at home and abroad. In 2020, CRE's overall financial status is sound, and asset structure is reasonable, with minor and controllable debt risks. It has adequate credit in both domestic and overseas banks, which ensures the operational and project funding requirements.

Lean management to promote excellent operation

CR Enterprise strictly implements the Group's requirements for excellent operation, continues to promote the establishment of an excellent operation system, cultivates talents for lean management, and further promotes benchmark and pilot assistance to provide a strong impetus for the realization of the company's high-quality development.

2020

Minor improvements (Pieces)

11,220

The company establishes a team of excellent operation experts, formulates relevant mechanisms such as excellent operation benchmark management, expert library management, and project management. Through its official website, WeChat account, APP and other channels, the company creates an excellent development cultural atmosphere. In 2020, the Xinghuoliaoyuan project platform and lean innovation APP continued to exert strength, with 11,220 minor improvements, a year-on-year increase of more than 14%.

The company carries out lean talent training and builds a benchmark resource platform. In 2020, CRE Headquarters provided talent development resources for its subsidiary companies, completed the development of lean green belt management courses, cultivated more than 1,000 lean talents, and implemented more than 350 improvement projects through trainees to improve core operating indicators; organized various BU teams in compliance with internal & external benchmark companies for more than 5 times, absorbing high-quality management experience.

Meanwhile, the company actively organized subordinate profit centers to apply for participating in the Group's six-star benchmark company evaluation, and promoted the construction of benchmark pilot company through expert guidance, index combing, operation research and on-site improvement.



CRE and Siemens (Chengdu) conducted external exchanges and learning



CRE's Lean Talent Training

Create a Shared Future

CRE will actively study the national "14th Five-Year Plan" development strategy, deeply understand the Group's strategy and requirement of "reshaping China Resources" deepen the reform of state-owned enterprises, continue to improve the corporate governance with the development idea of "down-to-earth practice, deep cultivation, and connectivity" adhere to steady operation, risk prevention and control, promote the establishment of a compliant corporate culture, build a solid foundation for corporate development, and continuously create values for shareholders.

Sincere Services to Customers to Create a Quality Life



Shouldering Responsibility

CRE takes “good products and good channels” as the direction, continues to improve product quality and safety management mechanisms, enhances emergency management capabilities, and strives to allow consumers to “eat and use at ease”; adheres to the innovation-driven development path, strengthens the capability of corporate brand innovation, continuously expands product categories to meet the diverse needs of consumers; improves the customer service system, actively responds to customer’s complaints, and strengthens the protection of customer rights.

Benefitting Customers

2020 Performance Indicator

R&D investment
(One Hundred Million HK\$)

2.85

Number of new patents (Cases)

41

The ratio of qualified products (%)

100

Creation

Sharing

High Quality Assurance

CR Enterprise always puts product quality in the first place, continues to improve the product quality system, ensures product safety, and strengthens product traceability management. The ultimate pursuit of product quality runs through every link and wins the trust of consumers with ingenuity.

Strict control of product quality



“Product Internal Control Quality Standard Improvement Project” won the CR Group’s 2019-2020 Project Achievement Awards

Product quality is the lifeblood and soul of enterprise development. CR Enterprise refers to domestic and foreign laws and regulations, advanced management system standards, and combines business practices to establish a quality and food safety management system covering the entire chain of “R&D, procurement, production, and sales”; it continues to carry out compliance evaluation of quality and food safety laws and regulations, internal control quality standard management improvement and other quality management special work; establishes an internal control quality standard system with a 100% coverage of private-brand products; organizes various professional inspections and system internal audits with risk control as the core, and closely monitors the product production and operation process. In 2020, CRE Headquarters revised and released eight food safety and systems related to quality management, and updated the special work for internal control quality standard management, namely the “Product Internal Control Quality Standard Improvement Project” which won the CR Group’s 2019-2020 Project Achievement Awards.

Case: Strive to provide customers with the best coffee



Seminar on improving product quality organized by the R&D Department of Pacific Coffee Product

In 2020, Pacific Coffee Mainland continued to improve product quality and provide customers with the best coffee products. The company carried out the “delicious drink” coffee product flavor-upgrade project, optimized the product process, upgraded the extraction method to meet customer needs; launched the coffee bean upgrade project, inviting 23 experts and judges from 18 brands to conduct a blind quality test of coffee beans based on the principle of fairness and justice, only for selecting the best quality raw coffee beans to ensure the source quality of coffee products.

Case: The Mainland Division of International Distribution comprehensively controls product quality

The Mainland Division of International Distribution continues to increase product risk control efforts, and conducts joint governance of product quality risks through supplier access, product sampling, and risk warning; combines with actual business needs, establishes a full-category internal control quality standard, and publishes the “Instruction on Internal Control Quality Standard Management” and coordinates with the product department to establish new product’s internal control standards in advance to ensure product quality consistency. In 2020, it successfully passed ISO9001 quality management system certification, agricultural product quality and safety standard management enterprise certification and Global GAP certification.

Ensure product safety

Product safety is the bottom line of business operations. CR Enterprise adheres to the principle of “safety first” and establishes a food safety risk index model, covering farming, food processing, catering, warehousing and logistics, and trade and distribution, from the dynamic risks of food production and operation process control and the inherent static risks of the industry, to quantify the level of food safety risk management of enterprises, ensure the safety and quality of the core business products of the profit center; comprehensively improves the product safety awareness of full-time employees, regularly holds training courses for food safety internal auditors, and organizes the “2020 National Food Safety Standards Promotion and Implementation Training” “International Food Safety Best Practice Forum” “State Council’s Food Safety Office 2020 Emergency Drill for Major Food Safety Incidents” and other food safety courses. In 2020, CRE Headquarters and its direct profit centers trained a total of 56 internal auditors for the food safety management system, and conducted professional knowledge empowerment training for a total of 413 person-times.

Case: Building a qualified platform for the aquatic industry with high-quality safety standards



Vice Governor of Guangdong Province Chen Liangxian led the inspection team to the CRE Aquatic Products Platform to carry out food safety inspections for epidemic prevention and control.

The salmon processing center of the CRE Aquatic Products Platform Division introduced German BAADER automated production equipment to build an independent water purification system, air particulate filtration system, full cold chain temperature and humidity control system, and sewage treatment system to effectively guarantee the entire process of raw salmon processing and full environmental control; formulated the most stringent domestic raw aquatic product processing standards, which has obtained the “instant aquatic product food production license” (license number: SC12244060603021); actively promoted the implementation of the food industry benchmark system and new seafood circulation concepts to provide consumers safer and more stable high-quality seafood. In 2020, the processing center won the high praise of Chen Liangxian, vice governor of Guangdong Province, with its complete hardware facilities, environmental control system and full traceability monitoring and management system.

Strengthen product traceability

CR Enterprise attaches great importance to the construction of product traceability systems, establishes and improves accident management, non-conforming product disposal and recall systems, and actively promotes the establishment of product traceability systems in profit centers and conducts product traceability drills to enhance the company’s emergency response capabilities in product safety incidents.

Case: Full traceability to ensure the safety of foods on table

The Aquatic Products Platform Division of CRE is the first in the industry to achieve the goal of transparent management of the entire food chain. The Hong Kong Inspection and Quarantine, together with Customs and Food & Drug Administration have implemented a full traceability system in the processing center, with traceability information flow management as the core, and traceability QR code as the carrier, connected with market access, and realized the traceability management of the whole process of product “from ocean to the dining table” ensuring that “information can be inquired, original source and whereabouts can be traced, and responsibility can be investigated on”.

Sincere Innovation & Development

Innovation-driven is the inherent requirement and inevitable choice for high-quality economic development. CR Enterprise actively responded to the national innovation-driven development strategy, initiated smart management, increased investment in innovation, comprehensively improved the quality of products and services, and created value for enterprises, customers and society with new momentum.

Efficient operation, strengthen management innovation

In 2020, CRE Financial's Shared Service Center continued to explore the application of new technologies, optimize the operation and management process, establish a complete quality and risk control system, build a full-cycle control and management mechanism, and achieve a shared quality audit in China's mainland and Hong Kong. It optimized the digital operation platform, realized the innovative connection with the human resources performance system "framework reporting" and realized the monthly issuance of performance results; actively promoted the construction of RPA into the deepwater area, realized the application of OCR image recognition technology, promoted the electric file system, and improved the efficiency and quality of shared processing; carried out the construction of information management of the Group's legal management system, and launched the CRE contract management system and the CRE enterprise information management system to improve the quality and efficiency of enterprise operations. Through the implementation of financial sharing internal management innovation and process optimization, the overall human efficiency of CRE Financial Sharing Center's accounting in 2020 increased by more than 10% on an annual average.

Case: CRE Financial Sharing Services Center continued to deepen the construction of RPA

RPA is short for "Robotic Process Automation" which refers to robotic process automation. It is a type of automation software tool that can automate routine operations based on certain rules. In 2020, the Financial Sharing Services Center launched the third phase of the RPA project to expand the in-depth application of new RPA technologies in various processes of the CRE Financial Sharing Services Center, achieved the goals of process automation, input standardization and RPA automation talent training, and effectively increased the company's revenue. As of January 2021, CRE was CR Group's internal shared service center to implement the largest number of RPA processes, and the first business unit to implement RPA smart audit.

Exploit new energy to bolster sci & tech innovation

2020

R&D investment of CR Enterprise and its profit centers (One Hundred Million HK\$)

2.85

Innovation is a vital force for national progress and social development. CR Enterprise adheres to the core value of "innovative development" establishes the Innovative Development and Intellectual Property Committee, issues and implements the "Intellectual Property Management System" establishes centralized management and licensing system for CRE trademarks, and facilitates the Group's learning management system to launch the intellectual property module, to maintain intellectual property rights and build a solid bottom line for technological innovation. In 2020, CR Enterprise and its profit centers invested a total of HK\$ 285 million in R&D.

Refined business to achieve diversified product innovation

Product business innovation is an inexhaustible driving force for the development of an enterprise. Guided by consumer demand, CR Enterprise continues to increase investment in independent product research and development, encourages technological innovation in various production and operation businesses, and promotes high-quality development of enterprises; strictly implements the Group's various innovation requirements, actively participates in matchmaking meetings with innovative enterprises, and introduces high-quality innovative resources to explore innovative projects and create a diversified product system.

Case: In the fragrance of autumn osmanthus, Pacific Coffee launched sweet-scented rice wine products



In October 2020, when the fragrance of golden-colored osmanthus is getting stronger, Pacific Coffee used sweet-scented osmanthus wine to make a fruity sauce, and the Xiaogan rice wine was brewed with quality glutinous rice and mead koji. It combines the flavor of osmanthus with traditional rice brewing and blends it into coffee and tea, launching sweet-scented rice wine products. In addition, this series also undergoes a de-alcoholization process to retain the aroma and make it alcohol-free, effectively expanding product accessibility, and bringing safety experience to a wider group of consumers.

Pacific Coffee sweet-scented rice wine products

CRE employee's voices



Chen Bolin
From Pacific Coffee

Making good coffee with heart

Delicious coffee comes from the heart and idea of the barista. Most of my inspiration comes from all kinds of interesting things in my life, and it is a way for me to present my feelings and thoughts in reading. The company encourages us to innovate independently, and the products we create are

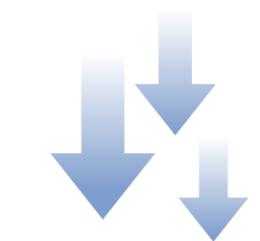
expected to go on sale in stores, which prompts me to be more active in creative research and development. When the summer comes, I give the inspiration from my life with wings of imagination and make summer-flavored coffee, such as Dirty Coconut Latte and Coconut Blue Lemon Coffee. I hope that customers can experience the double shocks to the taste buds and soul, and enjoy the beauty of summer.

Sincere Services to Customers

Service is the link that connects enterprises and customers. CR Enterprise continues to improve services quality, insists on guaranteeing customer's rights and interests, conducts regular customer satisfaction surveys, gives quick responses to customer needs, and provides customers with satisfactory professional services.

Provide perfect services

CR Enterprise adheres to the principle of customer first, continuously improves its customer service system and services quality. It promotes each profit center to strengthen services quality management and conduct regular surveys on customer satisfaction; establishes and improves after-sales service mechanisms to quickly respond to customer complaints; uses electronic intelligent management to optimize services processes and enhance consumer services experience, providing customers with considerate and high-quality services.

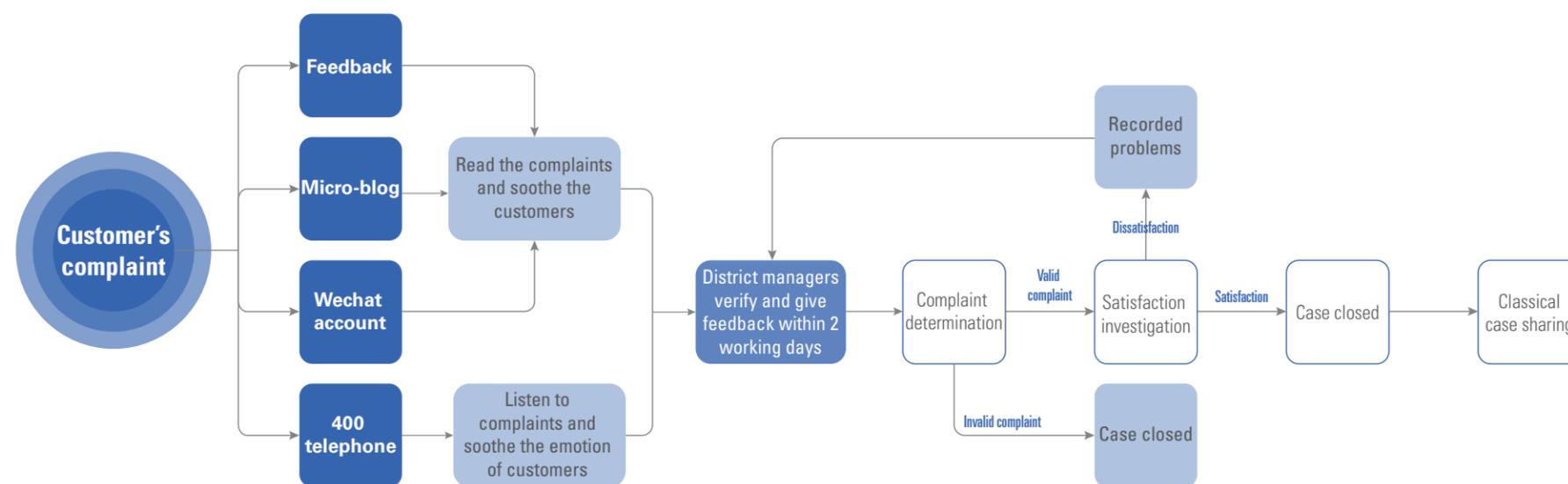


In 2020, the total number of complaints decreased by 58.42% compared to 2019

58.42%

Case: Pacific Coffee continued to improve customer satisfaction

Pacific Coffee conducts regular training for employee's professional services to improve their business skills and services awareness; responds to customer complaints, develops a unified standard process for complaint handling, and improves, maintains, and standardizes customer complaints based on the principle of PDCA. In 2020, the total number of complaints decreased by 58.42% compared to 2019.



Uniform Standard Procedures for Complaint Handling of Pacific Coffee

Case: CR Logistics handled noise complaints to soothe its neighbors

CR Logistics Runfa Wharf has been approved by the government for 24-hour operation since it was put into use in 1994. Since 2004, large-scale residential buildings have been built around Runfa Wharf, and wharf operations began to receive noise complaints. CR Logistics quickly took action to respond to the complaints and formulated a number of noise improvement measures such as installing noise barriers on engines, lifting and placing containers with care, and prohibiting operation at night near residential bridges. In February 2020, Runfa Wharf further strengthened noise management, changed the site operation time from 7 a.m. to 11 p.m. to 7 a.m. to 10:30 p.m., and simultaneously turned off the lights to reduce night operation time; meanwhile, more daytime engineering operations were introduced to reduce the noise at night. The noise improvement on the Runfa Wharf has repeatedly received positive comments from the workers of the Hong Kong Environmental Protection Department and thank-you letters from the surrounding residents.

CRE
employee's
behavior

7x24 hours, uninterrupted services to customers

The daily shipping agency business that Pan Zhihao engages in needs to face the inbound and outbound needs of dozens of shipowners and customers, and the ship transportation is uninterrupted 7x24 hours, so he needs to be on standby at all times. The entry and exit operations of ocean-going vessels are extremely complicated, and various English certificates and documents need to be checked and submitted. If the submission is not timely or there are omissions, it will not only delay the customer's time, but also incur high port charges. Every time he enters and exits the port, Pan Zhihao formulates a thorough work plan a week in advance, and properly arranges various entry and exit matters. He has never had any omissions during his seven-year tenure, and his meticulous and patient services have been unanimously recognized by the company and customers.



Pan Zhihao
From CR Logistics

Guarantee the rights and interests of customers

CR Enterprise strictly abides by the "Anti-Unfair Competition Law" to regulate sales behaviors, and implement unified sales pricing through all channels across the nation; false or misleading publicity is strictly prohibited, product label introductions are implemented in compliance with regulations, product potential risks are warned, and product-related knowledge is promoted. It also strengthens customer information management, respects and maintains customer privacy, and protects the basic rights and interests of customers.

Create a Shared Future

CR Enterprise will adhere to meet the needs of consumers, increase scientific research and quality production, strengthen the construction of a customer management systems, strive to provide consumers with high-quality and healthy products and meticulous services, and win the trust and satisfaction of customers.

Co-partners to Create Win-win Cooperation



华润创业
CR ENTERPRISE



Shouldering Responsibility

CR Enterprise carries out extensive strategic cooperation and exchanges, continues to strengthen internal and external collaboration, and promotes the mutually beneficial sharing of information and resources; improves the supplier management system, standardizes procurement behavior, and works with suppliers to perform responsibilities; actively participates in industry exchanges to help industry development; enlarges media information dissemination, enhances brand reputation, and narrates more CRE stories.

Benefitting Partners

2020 Performance Indicator

Economic contract performance rate (%)

100

Responsible procurement ratio (%)

100

Note: The date specifically refers to the proportion of sunshine procurement in 2020.

Industry-University-Research cooperation expenditure (Ten Thousand HK\$)

79.3

The ratio of suppliers passing quality, environment and occupation health and safety system certification (%)

100

Creation

Sharing



Strengthen Strategic Cooperation

CR Enterprise insists on seeking long-term development of the enterprise through openness and collaboration, broadens cooperation channels, builds communication platforms, and continues to carry out high-level strategic cooperation in multiple fields within and outside the Group.

Expand business cooperation

CR Enterprise attaches great importance to the collaboration of internal enterprises, and explores new paths for business development. In 2020, it continued to promote the store-in-shop project of Pacific Coffee across the nation and the aquatic products division products entering the Olé boutique supermarket sales system; carried out the internal and external cooperation between CR Group and well-known companies to exchange complementary resources, achieve mutual benefits and win-win collaboration. In 2020, CR Enterprise cooperated with China Resources Bank, China Resources Land, China Resources Vanguard, and conducted strategic cooperation with Shenzhen Broadcasting Group, Fenjiu Group, Guangzhou Nansha Modern Agricultural Industry Group and other enterprises.



CRE and Fenjiu Group signed a digital strategic cooperation agreement



CRE Properties assisted China Resources Snow Heineken Beer in advertising and marketing

Case: CR Logistics and CR Power cooperated to develop photovoltaic power generation projects

In response to the call of CR Group to vigorously develop internal business synergy and alleviate the low proportion of renewable energy power generation, CR Logistics and CR Power have carried out internal collaboration and cooperated in the development of photovoltaic solar power projects. CR Logistics provided solar panel installation sites, and CR Power is responsible for all investment and post-maintenance of the project, the income is shared by both parties. In 2020, the installation of solar panels on the rooftops of the Hong Kong Baishi and Shatian cold warehouses was officially put into operation.



Photovoltaic power generation project, Hong Kong Baishi Second Warehouse Photovoltaic

Promote Industry-University-Research cooperation

CR Enterprise attaches great importance to sci & tech research and innovation, promotes communication with universities and scientific research institutions, cultivates scientific research talents, improves technical capabilities, accelerates the transformation of sci & tech achievements, realizes synergy of resource advantages, and promotes high-quality development of enterprises.

Case: CRE Smartech and the Chinese Academy of Sciences launched a hyper-spectral staple food variety's smart identification system project

In 2020, CRE Smartech and the Shanghai Institute of Technical Physics, Chinese Academy of Sciences, and Hangzhou Institute of Space Information Technology cooperated to carry out a hyper-spectral staple food variety smart identification system project, which can analyze the characteristic spectrum of Wuchang Daohuaxiang rice through high-resolution spectral detection technology, calibrate its spectral characteristics, import database clusters and document clusters, use parallel algorithms to analyze sample data, establish a target recognition method for the rice combined with machine learning technology, and finally transform it into an intelligent product for rapid identification of staple food varieties, greatly improving the traceability of raw materials produced by the enterprise and the efficiency of quality stability management.

Promote Responsible Supply & Distribution

CR Enterprise adheres to adopt accountable procurement, continues to improve the procurement management system, and is committed to establishing good partnerships with suppliers to promote the sustainable development of the supply chain.

Procurement management system

CR Enterprise continued to promote the construction of the procurement management system, set up a procurement committee office, and formulated the “Supplier Management Measures (Trial)” “Centralized Procurement Management Measures (Trial)” “Procurement Review Expert Database and External Expert Management Measures (Trial)” and “Implementation Rules on the Procurement Comprehensive Evaluation Law (Trial)” “Instruction Manual for the Implementation of Procurement Management System” “Procurement Management Evaluation System (Revised Edition)” and other procurement management systems. CRE constantly standardized the procurement management of each profit center, and promoted the management of suppliers within each business system and relevant system construction; organized procurement system training and implementation, and carried out Q&A exchanges and learning on procurement management matters from time to time.

Procurement evaluation review

CR Enterprise established a procurement management evaluation system, set up a procurement management evaluation team, prepared procurement management evaluation plans, prevented procurement risks, and continuously improved procurement management. As of the end of 2020, CRE Headquarters has established a procurement review expert database of 96 persons; in accordance with the Group’s unified deployment, CRE organized the self-examination and inspection of the procurement management evaluation of the CRE Headquarters and the directly-managed profit centers. In 2020, a total of three procurement self-examination and inspections were organized, and 42 rectification projects were conducted, involving procurement of RMB 258.08 million.

Integrity and standardized procurement

CR Enterprise advocates honest operation, adheres to fair competition, and strives to create a transparent and fair industry environment to facilitate green and clean procurement; it continues to promote the construction of electronic procurement information such as the procurement and compliance electronic bidding platform and procurement contract management system to standardize procurement behaviors. In 2020, 238 projects were purchased through the Shouzheng electronic bidding platform, involving a purchase amount of RMB 79.67 million.

Promote procurement exchanges

CR Enterprise focuses on strengthening communication and exchanges with suppliers and distributors, and actively carries out guidance and incentives in the form of supplier quality training meetings and monthly assessments to bolster suppliers and distributors’ growth; it continues to expand the scope of procurement for various business systems, promote the collaboration and interaction of the CRE procurement supplier’s resources. In 2020, 98 new qualified suppliers were added.

Facilitate Industry Development

CR Enterprise adheres to the concept of “mutual benefit and win-win cooperation”. While practicing its own steady development, the company actively organizes various profit centers to participate in industry exchanges and cooperation, assists industry technology innovation, builds a strategic sharing platform, promotes the formulation of relevant policies and standards, and works with partners to promote high-quality development of the industry.

Case: CR Enterprise participated in the 3rd CIIE

On November 6, 2020, CR Enterprise participated in the 3rd China International Import Expo (CIIE) and actively carried out industry exchanges. At the CR Group’s sub-group signing ceremony, CRE International Distribution signed a cooperative agreement with four high-quality suppliers from Ireland, Spain, Denmark and New Zealand, with a total contract value of US\$25.7 million.



CRE participated in the 3rd China International Import Expo

Conduct Media Exchanges

CR Enterprise attaches great importance to information dissemination through open channels, actively expands information disclosure and brand promotion channels, and expands brand popularity and impact through the official website, WeChat account and media platforms. In 2020, CRE’s official WeChat posted a total of 143 pictures and texts; CRE’s subsidiary profit centers released news messages in multiple columns and channels of People’s Daily and its clients, with tens of millions of viewers.

Create a Shared Future

CR Enterprise will continue to improve the performance of partners, maintain long-term cooperative relationships with enterprises and universities, practice reliable supply and marketing, participate in industry development, work with partners to cope with market challenges, explore new paths for market development, and work together for a better future.

Care for Employees to Create Long-lasting Foundation



Shouldering Responsibility

Employees are the greatest wealth of an enterprise. CR Enterprise adheres to the people-oriented principle, and effectively protects employees' basic rights and interests such as fair employment, gains from work, and democratic communication; establishes a diversified training system, unblocks career development channels, and creates a platform for employees to realize their self-value; pays attention to employees' life and helps those in need, creates a warm workplace atmosphere; strengthens safe production and occupational health management to create a safe working environment for employees.

Creation

Benefitting Employees

2020 Performance Indicator

Number of employees (Persons)	Labor contract signing rate (%)	Social insurance coverage rate (%)
49,630	100	100
Medical examination coverage rate (%)	Staff training coverage rate (%)	The proportion of female managers (%)
100	100	17.3

Sharing

Total investment for employee training (Ten Thousand HK\$ / year)

1,903.17

Guarantee the Rights & Interests of Employees

CR Enterprise strictly abides by the “Labor Law of the People’s Republic of China” and other relevant laws and regulations, establishes a sound employment management rules and regulations system, resolutely resists child labor, insists on employment in accordance with the law, protects employee privacy, and builds a harmonious labor relationship. In 2020, CRE has 49,630 employees, and the labor contract signing rate was 100%.

People-oriented, insist on equal employment

CR Enterprise always adheres to the principle of equal employment and opposes all discrimination due to the differences in gender, region, nationality, education, and religious beliefs; it resolutely resists child labor and insists on employment in accordance with the law; protects employees’ privacy and builds harmonious labor relations. The company also ensures the transparency and openness of recruitment information and recruitment channels, as well as the fairness and justice of the entire recruitment process; actively promotes the construction of recruitment information, and achieves standardized management of the entire recruitment process. As of the end of 2020, most of CR Enterprise’s profit centers have adopted the online recruitment system.

Favorable treatment, generous salaries and benefits

CR Enterprise has established a reasonable salary and welfare system, signed labor contracts in accordance with the law, paid state-regulated social insurance for all employees, and paid Mandatory Provident Fund (MPF) for Hong Kong employees; launched corporate annuities for all employees and purchased supplementary commercial insurance. Employees legally enjoyed national statutory insurance holidays and annual leave, female employees enjoy maternity leave and breastfeeding leave. The company set up a human resources sharing services center, popularized related rights and interests policies, provided employees with high-quality, high-standard, and high-efficient human resources services, and continued to promote the company’s intelligent and informationized construction of human resources business. In 2020, the Human Resources Sharing Services Center explored the launch of an online electronic signature platform to improve the efficiency of personnel business processing and accelerate employee satisfaction.

Unblock channels to improve democratic management

CR Enterprise practices the principle of “sunny, simple and honest” continuously improves the democratic management system, and creates a positive and delightful working atmosphere for employees. The company respects and listens to the voices of employees, and establishes an employee relations group at the human resources department to convey employee’s information in a timely and accurate manner, and to maximize the implementation of relevant opinions and suggestions to build an effective communication bridge between employees and the company.

Facilitate Employees’ Growth

CR Enterprise provides every employee with multi-level and diversified training resources, builds a smooth career development channel, and allows employees to fully display their talents and realize their career ideals.

Diversified training to enhance professional ability

CR Enterprise adheres to the talent development concept of “respecting people’s value, developing people’s potential, and sublimating people’s soul” and establishes a hierarchical and classified talent training system. Based on China Resources University and high-quality internal and external resources, the company provides targeted training for employees with different occupational natures and at different stages of development, through various training methods such as practical operation and apprenticeship. In 2020, CR Enterprise launched the “Creation • Rising Star” training and development project and the “Spring Bamboo Shoots” talent training project to help with new employee’s growth, and built a platform for exploring the management of CRE, promoting cultural integration and business collaboration while learning, and facilitating the leadership capabilities of CRE’s middle- and senior-level managers. It also established and improved the CRE’s internal lecturer management system, formulated the “CRE Internal Lecturer Management Guidelines” and other systems, built an internal lecturer training and certification platform, and built an internal lecturer team that is adept at “summary, sharing, and innovation” to facilitate the building of a high-quality team. In 2020, the company’s employee training coverage rate was 100%.



CRE held the second phase of the “Creative & Sharing” internal lecturer training project



CRE launched 2020 discipline inspection (supervision) cadre learning training



The aquatic product platform launched a series of trainings on safety, hygiene and operational skills improvement



Pacific Coffee Mainland conducted Professional Training on SCA Coffee

Case: Shining stars to create the future - 2020 "Future Star" CRE Camp

On July 31, 2020, the "Future Star" CRE Camp was officially opened. A total of 60 participants from CRE's subsidiary companies took part. The "Future Star" CRE Camp adopts the "3+1" model (three weeks of enterprise practice and online learning, and one week of offline and intensive cross-industry learning at China Resources University) to conduct five major themed training including "Self-cognition" "Notices for new employees" and "general knowledge of the workplace" and arrange online micro-classes, online learning and sharing sessions, position practice, and special theme activities for participants to broaden horizons and nurture rising stars for the development of CRE.



2020 Future Star CRE Camp focuses on offline learning

CRE employee's voices

Serving the training and receiving self-growth



In June 2020, I organized the Cantonese empowerment learning project for the backbone employees of CRE. This was the first training project I completed on my own. From the screening of preliminary suppliers, qualification review, plan formulation, to one-on-one connection with trainees and lecturers during the process, confirming the course content and arrangements, and the later stage of the learning effect evaluation, I really felt that the only way to achieve excellence is to treat every task, detail, and student seriously, and thus one can truly gain self-growth and make a greater contribution.

Luo Qing
Best New Employee of 2020

Dual-track promotion to motivate employee's development

CR Enterprise continues to improve the talent's career promotion system and mechanism, set up a "dual channel" for career development, activates the development potential of employees, allows outstanding employees to stand out on appropriate development channels, realizes the common growth of employees and the company, and shares development achievements.

Strengthen the Care for Employees

CR Enterprise actively cultivates a warming corporate atmosphere, cares about employees' life, especially special employees, and helps employees fully enjoy the value and satisfaction of their professional life.

Work at ease to ensure occupational health

CR Enterprise complies with the "Safety Production Law of the People's Republic of China" "The Occupational Disease Prevention Law of the People's Republic of China" and other laws and regulations, implements the health-related work requirements of all employees of China Resources Group, continuously improves the occupational health management system of CRE, and publishes the "Occupational Health Management Measures" "Guidelines for the Management of Personal Labor Protection Products" and "Special Emergency Plan for Public Health Emergencies" regularly organizes employee health examinations, and promotes enterprises at all levels to conduct noise prevention, occupational disease prevention and control law publicity, first aid skills training, mental health education and other training activities, and strengthens the health awareness and emergency response capabilities of all employees. In 2020, the CRE Headquarters achieved a "zero increase" in occupational diseases.



"Colorful Blooming, Creating and Enjoying the Future" 2020 Employee's Fun Games

Happy workplace to balance work and life

CR Enterprise pays attention to the work-life balance of employees, advocates a positive, green and healthy lifestyle, establishes sports clubs such as basketball, badminton, outdoor running, and yoga, carries out various cultural and sports activities such as sports games, hobby games, holiday activities, employee birthday parties, outdoor team building, and special topics lectures, helping relieve employees from work pressure, protecting their physical and mental health, and creating a good atmosphere for happy work and life.

Case: Establishment of CR Marathon Club CRE Branch and the start of "Creative and Youth Running"

CR Enterprise continues to convey the concept of "happy work, elegant life" to stimulate the vitality of enterprises, and establish the CR Marathon Club CRE Branch to gather running enthusiasts and organize "Creative and Youth Running" activities. On September 5, 2020, the inauguration ceremony of the CR Marathon Club CRE Branch and the first outdoor running event themed "Creative and Youth Running" was successfully held in Shenzhen Talent Park. More than 60 runners gathered on the scene to witness the wonderful moments.



Establishment of CR Marathon Club CRE Branch



"Welcome the National Day & the Mid-Autumn Festival" Movie Watching Activity



"One Sky, One Dream" 2020 CRE Cup of Parent-Child Drawing Competition



Case: Youth resonates with the “screen” - CRE’s first micro-video contest

In May 2020, CR Enterprise launched a short video creation contest for employees with the theme of “Youth Time” encouraging all employees to bravely show off their talents and showcase corporate elegance.

Scan the QR code of Douyin to watch the short videos of the award-winning contest

CRE employee’s voices

Jointly safeguarding employee’s happiness with sorority

From hiking and employee’s week activities to the social welfare activities, and then the recognition of motherland activities, CR Logistics Association has been committed to organizing every activity to help our colleagues broaden their horizons, enrich amateur life, and strengthen integration and communication. In the “Hong Kong youth recognizing the motherland - the Jinggang Mountain” trip, we led our colleagues in Hong Kong to recognize and learn the spirit of Jinggang Mountain, and to know CR’s poverty alleviation project in China’s mainland - Jinggangshan Hope Town. Seeing the enthusiasm of our colleagues and the achievements they made, I felt a strong sense of joy and accomplishment.



Jacklin
From CR Logistics

Warm workplace to care for special employees

CR Enterprise explores the establishment of a long-term mechanism for supporting the crisis and relief, mutual assistance and mutual love. Each profit center establishes a caring and mutual aid fund, helps form the “China Resources Enterprise (Shenzhen) Co., Ltd. Employee Caring and Mutual Aid Fund Chapter” and supports employees in difficulties with the warmth of the company. CRE earnestly pays attention to the work and life of female employees, continues to improve their sense of belonging and happiness; regularly offers condolences to retired cadres, fully expressing sincere gratitude and high respect for veteran cadres.

CRE employee’s voices

Thanks for the company’s making of tailored cotton clothes

The winter of 2020 is the coldest one in recent years. Due to the impact of the epidemic, Tianjin Railway Station, which is a transportation hub, is not allowed to turn on the heating. The temperature of our open store is only five degrees every day. My colleagues have fallen ill one by one. We reported to the store manager and soon received the tailored cotton clothes made for us. Although the weather was cold, our heart was so warm!



Wang Lei
From Pacific Coffee

Implement Safe Production

Safety is the foundation of life. CR Enterprise puts production safety in an important position, consolidates the production safety management system, strengthens the prevention and control of safety production risks, and promotes production safety concepts and knowledge to effectively ensure the stable and safe development of production.

Safety production management

CR Enterprise attaches great importance to safe production, responds to national policies and relevant laws and regulations, takes advanced benchmarks, combines with its own production and operation practices, and continues to improve the EHSQ management system. In 2020, it newly published nine safety production and related management systems; explored and established EHS management system internal audit standards, organized all-through audits of 11 companies in the mainland profit center headquarters, business divisions and grassroots enterprises to ensure that the group management elements and the CRE management system are implemented; formulated the “Three-year Action Implementation Plan for Safety Production Special Rectification” deployed and carried out special rectification of production safety, strengthened key risk management and control; used information technology to strengthen the management of hazardous operations in front-line enterprises, conducted intelligent management and control of on-site safety production operations, and improved the coefficient of production safety. In 2020, CR Enterprise invested HK\$ 132 million in safe production. Meanwhile, CR Enterprise has established a sound safety emergency management system. In 2020, the company newly compiled “CRE’s EHS Accident Emergency Response Plan” and “CRE’s EHS Accident Emergency Management Measures”; actively promoted the organization of various profit centers to conduct emergency drills and to improve the emergency response and handling capabilities of accidents. In 2020, CR Enterprise and its profit centers carried out 3,541 emergency drills.



The Hong Kong Division of International Distribution carried out safety production inspection



Case: CR Logistics forklift charging area renovation project

From July to November 2020, CR Logistics Beijing Company carried out a forklift charging area renovation project, which built a total of 9 solid wall independent charging rooms, and installed safety prevention equipment and facilities to ensure the daily use of forklift charging areas. The exhaust fan can meet the ventilation of the forklift charging area; the thermal sensor is linked with the external sound and light alarm in the charging room. If the temperature in the forklift charging area is abnormal, a hazard alarm will be activated and relevant personnel will be notified to deal with it in time; the charger lightning protection device protects the charger safety during thunderstorms; and the charger leakage protection device ensures that the equipment trips in time when the equipment leaks to prevent electric shock accidents.

Safety culture construction

CR Enterprise strictly implements the company's safety culture concept, conducts in-depth development of safety culture construction, carries out safety production investigation and studies, promotes EHS management concepts through multiple channels, and regularly organizes various forms of safety education and training with rich content to improve the safety awareness and technical skills of personnel in various fields. In 2020, the number of participants in the safety training of CRE and its profit centers was 493,598, and the training coverage rate was 100%.

CRE's profit centers promote safety culture and its implementation

CR Enterprise

Based on their own business characteristics and actual work conditions, the profit centers of CRE continue to carry out safety culture promotion work, firmly establish the concept of safety development and cultivate a culture of safety production.

Pacific Coffee

Pacific Coffee Mainland regularly conducts three-level safety education training, monthly EHS training, EHSQ knowledge training and other routine training, as well as special EHS training such as pest training and EHS standard training. In 2020, 25 types of EHSQ-related training were carried out at stores across the nation, with 33,158 participants.

CRE Properties

CRE Properties pays attention to safety production education and training. In 2020, it carried out 5 occupational safety training, with 74 trainees, accounting for about 65% of the total employees.

International Distribution

The Mainland Division of International Distribution carries out publicity on relevant laws and regulations, fire safety knowledge, traffic safety knowledge, and lessons from safety production accidents in the form of publicity boards, WeChat, cards, and competitions. In 2020, 71 safety production education and training were organized, with a total of 909 hours, covering 197 employees in the business department.

CRE employee's behavior

Defending life and safeguarding safety - work perseverance of EHS's full-time management employees

Li Tao formally joined CRE in 2017. As a full-time EHS manager, from office to factory site, regardless of heat and winter, he took experts to climb the factory, enter the production line, check the warehouse, see the sewage, and find hidden dangers; from the computer desk to the training podium, he made plans, wrote materials, and memorized handouts to eliminate EHS's hidden dangers, guarantee personnel safety, and ensure the normal operation of the enterprise. "We just want to eliminate the potential risks of accidents at the very beginning, and take precautions before they happen! The more investigation we conduct, the stricter we are, as our job is defending the life safety". This is what Li Tao persists to protect safety.



Li Tao
From CRE's EHS Department

Create a Shared Future

CRE continues to protect the basic rights and interests of employees and gives priority to employees; improves the talent training system, establishes a smooth career development channel, and helps employees grow into talents; the company establishes a sound safety and health management system, continues to improve the working environment, and carries out a variety of cultural and sports activities, letting employees work in a safe and humanized environment and improving their sense of belonging and happiness.

Green Ecology to Create Clear Waters & Green Mountains

05



Shouldering Responsibility

“Clear waters and green mountains are as good as mountains of gold and silver”. CR Enterprise thoroughly implements the construction of ecological civilization, adheres to the goals of green development and environmental harmony and symbiosis, continuously improves the environmental management system, pays attention to environmental protection in the process of production and operation, and daily office work, and publicizes the concept of environmental protection culture to gather a wide range of forces to build a green home.

Benefitting Homeland

2020 Performance Indicator

Total investment in environmental protection management (Ten Thousand HK\$)

8,400

The proportion of clean energy use (%)

58

Number of registered safety engineers (Persons)

162

Investment in public welfare activities for environmental protection (Ten Thousand HK\$)

25.38

Creation

Sharing



Consolidate Environment Management

CR Enterprise has improved the construction of the environmental management system, established an EHSQ department to take charge of environmental management, and continued to improve the EHSQ management system based on in-depth learning of advanced corporate environmental management experience and combined with the characteristics of business operations, and formulated and issued 2 ecological environmental protection work plans; established an environmental protection warning and emergency response mechanism, organized and carried out special investigation and management of ecological environmental protection and special learning, and further strengthened the awareness of the “red line” of the ecological environment. In 2020, CR Enterprise won the gold award in Hong Kong Green Enterprise Award 2020 “Environmental, Health and Safety Excellence Award” and the bronze award in “Superior Environmental Management Award (Corporate)”.

Case: Pacific Coffee won multiple environmental awards

Pacific Coffee pays attention to the construction of environmental management and advocates interactive participation in environmental protection. In 2020, it won the “2019 Hong Kong Awards for Environmental Excellence Gold Award” issued by the Hong Kong Environmental Campaign Committee, and the silver award in “Environmental, Health and Safety Excellence Award (Large)” issued by the Hong Kong Environmental Promotion Council. The “Prize for Impact 2020-Sustainability Prize” of the InnoESG Prize was certified as “Hong Kong Green Organization (2020-2022)” by the Environmental Activities Committee.

The silver award in “Environmental, Health and Safety Excellence Award (Large)”



Stick to Green Operation

CR Enterprise has always practiced the principles of sustainable development, continued to promote energy conservation and emission reduction, developed a circular economy, and improved energy utilization efficiency; strengthened the management of pollutants such as “three wastes” monitored and controlled pollution sources, and improved the quality and efficiency of green development, contributing to the winning of the battle against pollution.

Practice energy saving and consumption reduction

CR Enterprise researches on and applies the environmental protection technologies to improve energy efficiency and alleviate environmental pressure; explores the use of renewable energy such as solar energy to reduce fossil fuel consumption; strictly selects raw materials and selects degradable environmentally friendly materials; pays attention to recycling and the use of waste materials and develops a circular economy; strengthens energy consumption supervision, explores the establishment of a long-term mechanism for resource conservation, so as to realize the sustainable development of enterprises.

Case: CRE Properties reasonably managed the refrigeration system of its business premises to reduce energy consumption

CRE Properties insists on green operation, pays attention to energy saving and consumption reduction. It regularly inspects air conditioners in business premises and cleans dust filters to improve efficiency and avoid power waste. The company increases the outlet temperature of the central chilled water system in the business premises by about 1 to 2 degrees and turns off the central air conditioning in the lobby from 8 p.m. to 6 a.m. to save electricity. In 2020, the energy consumption of CRE Properties reduced by 12.39% compared with 2019.

Case: Pacific Coffee launched a series of energy-saving and consumption-reducing activities

Store operation and consumption reduction

Pacific Coffee starts from the store's daily operation, fulfills the responsibility of energy saving and environmental protection, provides customers with discounts on self-carried cups, reduces the compilation of documents; adopts green packaging, optimizes the size of napkins, and simplifies the printing process to reduce environmental pollution and resource consumption.

Advocating sustainable consumption

Pacific Coffee actively promotes plant-based beverages that consume less water and land and produce fewer carbon emissions during the production process. The Swedish oat milk brand was introduced into China, and the knowledge and promotion of animal and plant milk was carried out, with an introduction of new foods and beverages made from sustainable ecological ingredients to encourage sustainable green life.

Promoting a "plastic-free" life

Pacific Coffee insists on green procurement, purchasing environmentally friendly tableware, trying out sugarcane fiber drinking straws in-store operations and replacing plastic stirring rods with wooden stirring rods. In 2020, Pacific Coffee responded to the Central Committee's "Opinions on Further Strengthening the Treatment of Plastic Pollution" the most stringent plastic restriction order, and removed the products such as plastic straws, plastic stirring rods and all disposable plastic tableware in stores in accordance with the regulations, and replaced with one-time environmentally friendly tableware.



Pacific Coffee environmental tableware

Participate in environmental protection public welfare

As a promotion partner of "World Wide Fund for Nature (WWF)" Pacific Coffee has participated in the "Earth Hour" event for 12 consecutive years. In 2020, in addition to routine activities, Pacific Coffee provided free coffee grounds to the public in its stores for removing odors, DIY beauty products, floor waxing, and plant fertilization. The "Coffee Grounds Reuse" campaign promotes the recycling of resources and a green lifestyle.



Pacific Coffee participated in the "Earth Hour" event, turning off the store owner's light source for one hour

Develop a circular economy

Pacific Coffee sets up glass bottle collection points in designated branches and central kitchens to uniformly collect clean glass bottles and food waste and coffee grounds, using anaerobic decomposition to convert food waste into renewable energy biomass that can generate electricity Oxygen. The residue produced in the conversion process can also be converted into compost for landscaping and agricultural production by-products.



Pacific Coffee supports glass bottle recycling



Strengthen pollution management

CR Enterprise attaches great importance to pollution prevention and control, continues to strengthen the management of pollution emissions such as exhaust gas, wastewater, solid waste and construction noise, integrates green management concepts into the process of project construction, business development and cargo transportation, and promotes low-carbon production; develops EHS information monitoring system, which can issue early warnings for abnormal situations and prevent EHSQ accidents in time, with the help of Internet of Things technologies such as sensors and cameras to monitor the factory's production environment, sewage and other data.

Case: CRE Properties' Sugar Street Project attaches great importance to pollution emission management

CRE Properties' Sugar Street Project uses environmentally friendly building materials and wood boards that are recycled and reused; water tanks are used to collect wastewater for cleaning; noise barriers are installed on the periphery of the construction site to prevent construction noise from affecting surrounding residents; construction site walls are decorated with green plant murals, creating a green visual environment and reducing the impact of visual pollution. In 2020, CRE Properties' Sugar Street Project won the Hong Kong Green Enterprise Awards 2020 for Superior Environmental Management (Project Management) Merit Award.



Case: CR Logistics launched green transportation to reduce exhaust emissions

At the beginning of 2021, responding to the Hong Kong Special Administrative Region Government's initiative of "Maintaining Road Air Quality" CR Logistics disused Euro 4 standard vehicles and purchased brand-new Euro 6 emission vehicles for business transportation. The new models use high-efficiency engines and more intelligent gearboxes to improve fuel performance. During the running-in period, the fuel consumption performance has been reduced by about 19% compared to the obsolete models. The emission reduction effect of Euro 6 standard vehicles is significantly improved compared with Euro 4, including a reduction of 72% in hydrocarbon emissions, an 86% reduction in nitrogen oxide emissions, and a 50% reduction in exhaust particulate emissions.

Promote Green Culture

CR Enterprise actively practices the green principle in offices, strengthens environmental protection training, publicity and education, carries out plentiful environmental protection public welfare activities, and uses practical actions to convey green concepts, promote green culture and lead green development.

Practice the green concept in offices

CR Enterprise practices the green and low-carbon concept, follows the three principles of “reduction, waste utilization, and recycling” strengthens daily management on water and power-saving, advocates “paperless” office, encourages the use of video conferences, and acts on reducing office resources and energy consumption, and contributes to achieving the goals of “carbon peak” by 2030 and “carbon neutrality” by 2060. In 2020, CRE Headquarters and the directly-managed profit centers held together 1,508 video conferences.

Green Office Initiatives of CRE's Profit Centers

CR Properties

- CR Properties has established an online file system so that employees can read the contents of different types of files through mobile apps in real time, improving work efficiency and saving paper use;
- The company has replaced traditional photocopying paper with environmentally friendly recycled one to realize that 100% of the paper comes from recycled fiber raw materials, being 100% recyclable and biodegradable;
- Employees are required not to print documents in color or on one side unless it is necessary; post energy-saving stickers on electricity and water switches to remind employees to save energy.



Pacific Coffee

- Pacific Coffee Mainland uniformly uses the CR Group's accounting system, OA office system, “CR Job” and other platforms to realize the integration of administrative office, employee services, communication and collaboration and paper use reduction;
- It advocates measures such as black and white two-color printing, double-sided printing of paper documents and the use of waste paper for non-important documents to reduce paper consumption;
- It sets up multiple video conference rooms to facilitate daily office, meeting and training;
- It reduces the number of official business trips and carbon emissions generated by official business travel.



Active environmental education

CR Enterprise insists on being an advocate of ecological and environmental protection. By organizing environmental protection training, conducting energy-saving publicity weeks, special lectures, watching promotional videos and other forms of publicity and education activities, enhances employees' awareness of energy conservation and environmental protection, and fosters a cultural atmosphere for environmental protection.

Case: Launching National Energy Conservation Publicity Week and National Low Carbon Day publicity activities

During the National Energy Conservation Promotion Week and the National Low-Carbon Day, CR Properties focused on the theme of “green water and green mountains, energy conservation and efficiency” and used posters, televisions and large-scale publicity screens to broadcast information about energy conservation promotion week to customers in its shopping malls, and conveyed the concept of green environmental protection; the Hong Kong Division of International Distribution launched an environmental exchange activity “Green living in Sham Shui Po” organized online environmental training, and promoted energy conservation, emission reduction and carbon reduction activities to enrich employees' environmental protection knowledge; the Mainland Division of International Distribution organized seminars, watched videos of energy conservation and emission reduction promotion, conducted

energy conservation knowledge contests, encouraged everyone to propose ideas to create energy-saving projects, and improved employees' awareness and skills in energy conservation and emission reduction.



An environmental exchange activity “Green living in Sham Shui Po”

Environmental protection public welfare activities

As a practitioner of ecological and environmental protection, CRE advocates a green lifestyle, extensively participates in environmental protection public welfare activities, and joins hands in creating a sustainable future. In 2020, CRE's environmental protection public welfare activities invested HK\$ 253,800 in total.

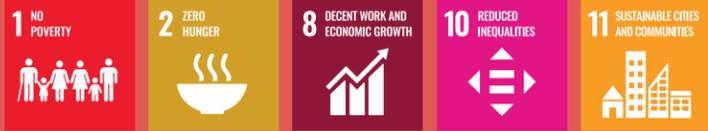


CRE Properties promoted the environmental protection charity program “2020 Hong Kong Green Day”

Create a Shared Future

CR Enterprise will continue to improve the environmental protection system, encourage and promote environmental technology innovation, strictly implement energy conservation, emission reduction and consumption reduction, and develop a circular economy; promote a green style of working at offices, strengthen environmental protection publicity and education for all employees, and create a new model for corporate green development, making contributions to the protection of the clear water and blue sky.

Public Welfare to Create Social Harmony



Shouldering Responsibility

CR Enterprise has always followed its mission, shouldered its responsibilities, responded to the call of national policies, served major national strategies, and actively promoted the construction of the Guangdong-Hong Kong-Macao Greater Bay Area; stabilized employment and ensured people's livelihood, carried out various recruitment activities, provided abundant employment opportunities, and ensured the stable development of society; contributed to poverty reduction and agriculture prosperity, shared development results with society, and created more value for society.

Benefitting the Nation

2020 Performance Indicator

Total tax (One Hundred Million HK\$)	Number of newly added employment (Persons)
78.38	6,671
Charitable donation expenditure (Ten Thousand HK\$)	
2,000	

Creation

Sharing

Serve for the Greater Bay Area's Development

CR Enterprise actively responded to the national policy requirements in "Guangdong-Hong Kong-Macao Greater Bay Area Development Plan", promoted the Group's latest proposal on the 14th Five-Year Guangdong-Hong Kong-Macao Greater Bay Area strategic plan, clarified the positioning and goals of CRE Greater Bay Area, and proposed four key strategic measures: serving the people's livelihood, allocating resources, building brand, and developing new products and new stores; continued to strengthen research and investment in Hong Kong, and put forward recommendations for the implementation of CR's strengthening on the supply of civilian resources; fully promoted the construction of key projects in the CRE Greater Bay Area. In 2020, the company used new technologies and new models to build a new platform for aquatic products business, namely the Guangdong-Hong Kong-Macao Greater Bay Area aquatic products integrated trading platform, so as to achieve a business development trend based on the Greater Bay Area radiating to the core and key cities across the country.

2020 Economic performance of CRE Greater Bay Area

Turnover (One Hundred Million HK\$)

147.2

Compared with 2016 at the beginning of the 13th Five-Year Plan, an increase of

6.1%

Recurring profit before interest and tax (One Hundred Million HK\$)

38.9

Compared with 2016 at the beginning of the 13th Five-Year Plan, an increase of

97.3%

During the 13th Five-Year Plan period, CRE's overall market position and influence in the Greater Bay Area have been effectively improved.

The total assets (One Hundred Million HK\$)

481.9

Compared with 2016 at the beginning of the 13th Five-Year Plan, an increase of

31.5%

Case: Formulating the logistics strategy of CRE Guangdong-Hong Kong-Macao Greater Bay Area

In order to actively implement the national development strategy of the Guangdong-Hong Kong-Macao Greater Bay Area, in 2020, CRE and its subsidiary CR Logistics formed a preliminary vision for the logistics strategy of the Greater Bay Area through industry research, project inspections, and government communication, and carried out a logistics strategic plan for the Guangdong-Hong Kong-Macao Greater Bay Area Project; and completed the report of "CRE Guangdong-Hong Kong-Macao Greater Bay Area Logistics Strategic Plan" on the basis of the fully implemented internal and external expert interviews, investigations on the status and trends of the logistics industry in the Greater Bay Area, and analysis of logistics market demand, and continued to promote the program's strategic decomposition and implementation work.

Case: CR Logistics Kaida Center was put into operation

On September 11, 2020, CR Logistics Kaida Center acquired by CR Enterprise was officially handed over and put into operation. The logistics center has an advantageous geographical location and excellent surrounding transportation facilities, which allows convenient travels between the mainland and Hong Kong, effectively supplements the existing warehousing types of CR Logistics, further improves CR logistics service capabilities, expands Hong Kong logistics business, and practices the Group's Guangdong-Hong Kong-Macao Greater Bay Area and "Reshaping Hong Kong" strategy, stabilizes Hong Kong's economy, absorbs the employment of local middle-aged and young people in Hong Kong, and promote the prosperity and development of the Greater Bay Area.



CR Logistics Kaida Center was officially put into operation

Case: CRE Properties Sugar Street Project Boosts Commercial Prosperity in the Greater Bay Area

CRE Properties actively responds to the Group's development strategy of "Reshaping Hong Kong's Business" by carrying out the construction of the Sugar Street project, aiming to build a landmark commercial building in Causeway Bay that integrates high-end catering and lifestyle, so as to enrich the lives of Hong Kong people and increase employment opportunities. On March 24, 2021, CRE Properties' Sugar Street project was officially capped, and it is expected to be completed and delivered, and put into use in September to better serve Hong Kong citizens and promote the prosperity and development of the Greater Bay Area.



The capping ceremony of the Sugar Street Project

Ensure People's livelihood & Stable Employment

Employment is the foundation of people's livelihood. CR Enterprise earnestly implements the central government's important deployment of job stabilization and employment expansion, assumes the social responsibilities of central enterprises, and guarantees the stability of the workforce; it coordinates the recruitment needs of various profit centers, provides abundant employment opportunities, organizes diversified recruitment activities, expands talent employment channels, and absorbs labor at multiple levels. In 2020, CRE provided 1,337 jobs in the Greater Bay Area, and 25.8% of the final employees were Hong Kong permanent residents.

2020

Jobs provided by CRE

1,337

Case: Diversified recruitment to promote employment in the Greater Bay Area

CR Enterprise actively fulfills its social responsibilities, creates jobs, and meets employment needs through diversified recruitment activities. In 2020, the company participated in the "Spring Shoots" Hong Kong talent project organized by the CR Group, and organized the CRE joint working group to carry out recruitment in an orderly manner. Throughout the year, the Headquarters and all directly-managed profit centers recruited 271 people through the "Spring Shoots" project; participated in the "Youth Development · University Graduate Sailing Plan" organized by China Enterprise Association, which provides about 110 short-term employment opportunities to new graduates with a bachelor degree or above in Hong Kong, and the recruitment demand ranks first among all subsidiary companies in the Group.

Case: Stabilizing employment and helping Hubei to revive after the epidemic

CR Enterprise fully implemented the relevant requirements of the "Measures of the State-owned Assets Supervision and Administration Commission on Actively Supporting Hubei Province's Response to the Impact of the COVID-19 Epidemic to Promote Economic and Social Development" actively participated in the Group's "Anti-epidemic Stabilization and Employment Expansion" Hubei special recruitment activities, and organized various profit centers to provide a wide range of employment opportunities. On September 26, 2020, CR Enterprise participated in a special campus recruitment event of Wuhan University to provide a large number of jobs for graduates and help the economic recovery of Wuhan after the epidemic.



Hubei special recruitment

Devotion to Public Welfare

CR Enterprise adheres to the original intention of public welfare and upholds the volunteer service tenet of "serving the society and spreading civilization". It has established a corporate volunteer team "Loving Care Team" to carry out a variety of social welfare activities to promote community harmony; actively responded to the calls of national poverty alleviation and rural revitalization strategies, promoted targeted poverty alleviation, innovated on the business model of poverty alleviation, built a poverty alleviation docking platform, and combined its own industrial advantages to help the poor to seek jobs and increase income. In 2020, the company won the "Outstanding Poverty Alleviation and Innovation Enterprise Award" issued by Tencent News, with CRE's charity donation expenditure reaching HK\$ 20 million.



In 2020, the company won the "Outstanding Poverty Alleviation and Innovation Enterprise Award" issued by Tencent News

2020

CRE's charity donation expenditure (Ten Thousand HK\$)

2,000

Case: "Revival Plan" to boost poverty alleviation through consumption

In July 2020, The Mainland Division of International Distribution and its sister companies, CR Vanguard, promoted the "Revival Plan" to sell agricultural products of selenium sand melon in poverty-stricken Ningxia's Zhongwei. Under the unified guidance and arrangement of the headquarters of CR Vanguard, thematic sales promotion activities were carried out for Vanguard companies in various districts and provinces, and the response was very good. Finally, the sales amount was RMB 6.32 million, and the task of stabilizing assistance for more than 100 farmers was successfully completed.



"Revival Plan" to boost poverty alleviation through consumption

Create a Shared Future

CR Enterprise will continue to perform its corporate citizenship responsibilities, actively integrate into the overall national development situation, serve the national strategy, and drive regional development; care for people's livelihood, continue to promote employment and entrepreneurship, and promote high-quality economic and social development; increase investment in public welfare and charity, and deeply participate in social public welfare activities to promote the harmonious development of society and to contribute to the realization of people's happy lives and the sustainable development of society.

Responsibility Management

Responsibility Strategy

CR Enterprise adheres to the responsibility mission of “leading business progress and creating a better life together with consumers, shareholders, employees, and business partners” sticks to the core values of “honesty and trustworthiness, performance-oriented, people-oriented, and innovative development” and continuously promotes the development of social responsibility with the spirit that features in “pragmatic, professional, collaborative, and active”; integrates the concept of responsibility into the management of corporate social responsibility and daily operations, explores on forming the implementation path for social responsibility, and provides shareholders, employees, customers, environment, and partners with the expectations of the public and other stakeholders, so as to realize the responsibility vision of “becoming a global enterprise trusted and loved by the public”.



CR Enterprise Social Responsibility Model

Responsibility Organization

CR Enterprise continued to improve its social responsibility management system, followed the relevant provisions of the “China Resources Group Social Responsibility Management Measures” formulated the “China Resources Enterprise Social Responsibility Work Management Measures” based on its own business characteristics and actual performance, and established a social responsibility management organization system. The company provides direction guarantee for corporate social responsibility management through strategy formulation, problem decision-making and goal-setting conducted by CRE’s social responsibility steering committee, and actively promoted the development of social responsibility work through the establishment and improvement of relevant regulations and management mechanisms organized by CRE’s social responsibility management department.

Leadership institutions and responsibilities

CR Enterprise’s Social Responsibility Steering Committee is the highest leadership decision-making body for corporate social responsibility. It is mainly responsible for strategy formulation, decision-making on important issues, and setting forward-looking goals to guide the development of corporate social responsibility work.

Executive agencies and responsibilities

The office is the responsible department for the daily management of corporate culture and social responsibility. It is responsible for taking the lead in organizing the establishment of relevant rules and regulations and management mechanisms to ensure the smooth progress of corporate social responsibility work. At the same time, it organizes the compilation of annual social responsibility reports.



Functional departments and responsibilities

Strategic Development Department

Focusing on strategic research and management, investment, mergers and acquisitions, and cooperative development, the department practices the company’s corporate culture through efficient coordination and close internal and external cooperation to ensure that it and its partners comply with social responsibility requirements.

Operation Management Department

It promotes brand function building and efficient management, enhances brand planning and operation capabilities, and enhances brand value; empowers the company’s interests in the construction of excellent operation mechanisms and innovative collaborative platform; guides and supervises procurement management and project management, and promotes digital operations to improve the company’s efficiency, resource coordination, and to leverage CRE’s overall advantages.

Financial Management Center

It complies with laws and regulations in terms of capital/asset management, shareholders’ rights and interests protection, and tax payment in accordance with the law.

Human Resource Center

It assists the office in the promotion and implementation of corporate culture and social responsibility, and makes commitments and efforts in employee rights protection, growth and training, care for employees, democratic management, and occupational health and safety.

Department of Intelligence & Information Technology

It ensures information security and provides necessary information technology support for related work.

Legal and Secretarial Department

It plays a role in supervision and promotion in managing the enterprise according to law, compliance operation, and protection of shareholders’ rights and interests.

Audit Department

It makes efforts in compliance audit and risk management to safeguard the company’s interests.

Supervision Department

It urges the establishment of a clean and self-disciplined corporate culture and working atmosphere to protect the healthy development of the company.

Environmental Health and Safety Department

It promotes efficiency supervision and risk control in energy conservation and emission reduction, green development, food safety, and production safety, and promotes the sound and orderly development of various tasks.

Investor Relations Department

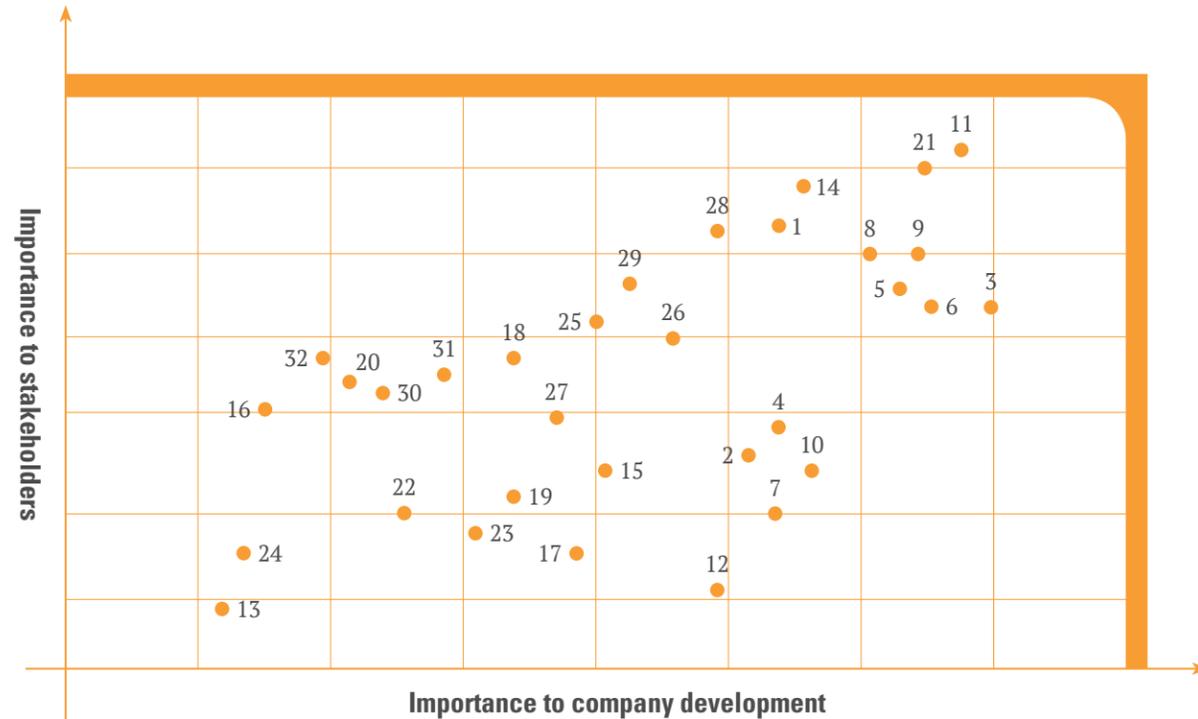
It abides by the company’s corporate culture and social responsibility commitments in terms of shareholder’s rights protection and the information disclosure of public opinion, and promotes the publicity and relevant work.

The Public Working Department

It conducts group work, promotes the construction of integrity, the cares for employees and other work in an orderly manner.

Issue Analysis

CR Enterprise carries out regular analysis of substantive issues every year, through the screening of key issues to understand the most concerned social responsibility of internal and external stakeholders, and uses them as the focus of information disclosure in social responsibility reports and future communications, and responds in a timely and effective manner. In 2020, CR Enterprise released the "Substantive Issues Analysis Questionnaire on CR Enterprise 2020 Social Responsibility Report" via an online platform, and a total of 330 questionnaires were collected with 330 valid questionnaires; drew a two-dimensional matrix of substantive issues from "importance to company development" and "importance to stakeholders" guided the company to carry out targeted social responsibility work and respond to the expectations of stakeholders.



Two-dimensional matrix diagram of the analysis of the substantive issue of China Resources Enterprise

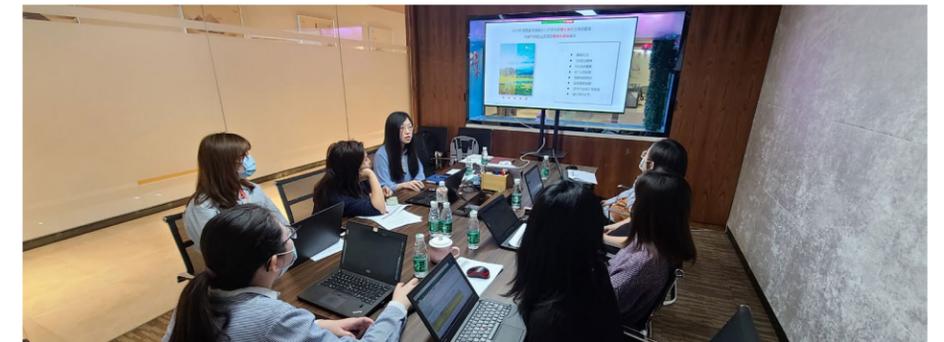
- | | | | |
|---|--|--|--|
| 01 Ensure the performance of business activities, including creating values for investors | 10 Ensure the stable supply of civilian resources | 19 Resist commercial bribery and insist on fair competition | 27 Serve for the green and sustainable development of products, such as providing paper or wooden tableware and recycled product packaging |
| 02 Optimize corporate governance, including building the board of directors and decision-making mechanism | 11 Ensure product quality and safety, improve the emergency management level and capability | 20 Actively participate in peer exchanges and promote industry development | 28 Reduce pollutants emissions, such as exhaust gas, wastewater, and hazardous waste |
| 03 Operation in compliance with laws and regulations, internal anti-corruption and honesty | 12 Strengthen scientific technology innovation to improve customer's experience | 21 Continue to fight the COVID-19 epidemic and speed up work and production resumption | 29 Green office, paperless office, remote office, and low-carbon travel |
| 04 Strengthen corporate risk management and internal control | 13 Enrich product types to meet the diverse needs of consumers | 22 Serve the development of Guangdong-Hong Kong-Macao Greater Bay Area, Xiong'an New Area, and other regions | 30 Publicity and education, environmental knowledge popularization activities for employees, communities or specific groups |
| 05 Employment in accordance with the law to create a diversified and equal working environment | 14 Guarantee service quality and actively respond to customer's complaints | 23 Consolidate the achievements of poverty alleviation and effectively connect rural revitalization | 31 Environment governance to improve the surrounding ecological environment |
| 06 Improve employee's compensation system and increase their benefits | 15 Protect the rights and interests of customers, pay attention to the popularization of product knowledge | 24 Actively carry out charity and voluntary service activities | 32 Environmental management effectiveness, including awards issued by national ministries, industry associations and social organizations |
| 07 Carry out employee training and promote their development | 16 Actively carry out strategic cooperation with all parties in the industry, university, research and media | 25 Environmental management system construction, such as management system, performance evaluation, selection and rewarding | |
| 08 Improve the promotion mechanism and smooth the upward channel | 17 Respect and protect intellectual property | 26 Conserve energy resources, such as improving the efficiency of energy resource use, clean energy and renewable energy use | |
| 09 Insist on safe production and ensure the health and safety of employees | 18 Pay attention to supplier management and build a responsible supply chain | | |

Responsibility Culture

CR Enterprise continues to improve its social responsibility performance capabilities. In its own development process, it always takes into account the demands of shareholders, customers, employees, partners, the environment and the public and other stakeholders, and makes unremitting efforts to achieve sustainable economic, social and environmental development.

Case: CR Enterprise launched the 2020 Social Responsibility Report and held the training conference

CR Enterprise attaches great importance to the preparation of social responsibility reports, issued social responsibility reports for eight consecutive years, and used "reports to promote management" and to improve the level of social responsibility management and practice. On March 16, 2020, CR Enterprise launched the 2020 Social Responsibility Report and held the training meeting, with contact persons from various functional departments and directly-managed profit centers attending the meeting. The meeting invited experts from the social responsibility report compilation team to share the development trend of social responsibility reports, reviewed and reflected on the 2019 social responsibility report, expounded on the work plan for the 2020 social responsibility report in detail, and conducted annual surveys and interviews on the performance of responsibilities so as to effectively enhance the awareness and capability of responsibility performance.



The launching of the 2020 Social Responsibility Report and its training meeting

Responsibility Communication

The sustainable development of an enterprise is inseparable from the understanding and support of the stakeholders. CR Enterprise attaches great importance to communication with stakeholders, and timely updates the social responsibility related information of CRE through the social responsibility column of the corporate official website, official WeChat platform and media website, and actively promotes the release of social responsibility reports at profit centers, and systematically discloses the company's responsibility management and practices; meanwhile, it actively participates in industry forums and conferences, carries out corporate open day activities, expands the channels for stakeholder participation, and strengthens the dissemination and exchange of corporate responsibility concepts.

Stakeholders Category	 Government	 Stakeholders	 Employees	 Customers	 Partners	 Environment	 The Public
Appeals & Expectations	<ul style="list-style-type: none"> Value preservation and appreciation of state-owned assets Standardized operation according to law Safety & environmental protection Promote local economic development 	<ul style="list-style-type: none"> Return on investment Risk control Understand the company's operation 	<ul style="list-style-type: none"> Salary and welfare protection Employee growth and development Occupational health and safety Employee care Democratic management 	<ul style="list-style-type: none"> Food quality and safety Quality product service Customer rights protection Promote product accessibility 	<ul style="list-style-type: none"> Sunshine procurement Strategic cooperation Fair competition 	<ul style="list-style-type: none"> Protect ecological environment Energy conservation & emission reduction 	<ul style="list-style-type: none"> Maintain public relations Enthusiastic about charity Participate in targeted poverty alleviation Support community building
Communication Mechanism & Methods	<ul style="list-style-type: none"> Work report Information submission Research interview Statistical report 	<ul style="list-style-type: none"> Performance report Annual meeting of shareholders One-to-one meeting Luncheon party Teleconference Visit business channel 	<ul style="list-style-type: none"> Regular meetings Communication activities and training Daily communication Corporate employee groups CRE WeChat official account 	<ul style="list-style-type: none"> CRE WeChat official account CRE official website Exchange activities & visits Product promotion activities 	<ul style="list-style-type: none"> Working meeting Agreement contract Daily communication 	<ul style="list-style-type: none"> Exchanges activities Policy publicity 	<ul style="list-style-type: none"> Conduct voluntary activities Implement targeted poverty alleviation Organize enterprise opening day
Response Measures	<ul style="list-style-type: none"> Comply with laws and regulations Compliance operation Pay taxes according to law Strengthen accident emergency management 	<ul style="list-style-type: none"> Maintain the ideal dividend level Maintain a solid financial level Improve risk control management 	<ul style="list-style-type: none"> Reasonable salary and benefit system Conduct employee training Unblock career development channels Implement safety production Care for special employees Conduct employee seminars and worker's congress 	<ul style="list-style-type: none"> Food quality and safety management Transformation of product services and innovative upgrading Expand business channels Improve customer's service system 	<ul style="list-style-type: none"> Publicize bidding of procurement information Implement responsible procurement Eliminate commercial bribery Maintain industry order Strengthen strategic cooperation Promote supplier growth 	<ul style="list-style-type: none"> Carry out environmental protection public welfare activities Promote energy saving & consumption reduction Persist in green development 	<ul style="list-style-type: none"> Develop social welfare brand program Establish a community communication mechanism

Prospect

In 2020, we will strive for progress while maintaining stability and promote high-quality development.

In 2021, standing at a new historical starting point, we will continue to work with shareholders, customers, employees and partners to realize value sharing, common growth, protect the environment and give back to the society.

Responsibility Management

The company will promote and implement the social responsibility concept of CRE, improve the "CR Group Social Responsibility Management Measures"; continue to strengthen the employee's awareness of responsibility, strengthen social responsibility assessment, summarize and promote excellent social responsibility performance experience and practices; extensively develop and participate in social responsibility research and exchange activities, so as to continuously improve the ability of performing social responsibility.

Shareholder Responsibilities

The company will increase the tracking and judgment of the macroeconomic situation and industry development trends, promote management innovation and business innovation, and create greater economic value for shareholders; improve the corporate governance system, adhere to compliance operations, and strengthen corporate risk management and internal control, so as to promote the construction of corporate compliance culture.

Customer Responsibility

The company will increase R&D investment, conduct continuous product and service innovation, and meet the diverse needs of customers; ensure product quality and safety, provide customers with safer and more assured products; continuously improve services quality, fully protect consumer rights and interests, and advocate a healthy and green consumption concept.

Partner Responsibility

The company will actively carry out strategic cooperation with all parties in industry, academia, research and media to build a shared platform to promote the development of the industry; resist commercial bribery and adhere to fair competition; promote supplier management and build a responsible supply chain; strengthen media exchanges and expand information disclosure channel.

Employee Responsibility

The company will adhere to legal employment, fully protect the basic rights and interests of employees; conduct employee training, improve talent promotion channels and promote employee development; fully protect employee's occupational health and safety, carry out multicultural activities, so as to create a harmonious working atmosphere.

Environmental Responsibility

The company will firmly follow the path of sustainable development, continue to improve the EHSQ management system; encourage and promote environmental technology innovation, strictly implement energy saving, emission reduction, and consumption reduction, and develop a circular economy; promote green office, strengthen environmental protection publicity and education for all employees, so as to create a new model for corporate green development.

Public Responsibility

The company will actively respond to national policies such as the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, employment promotion, and targeted poverty alleviation; promote the exchange and dissemination of cultural and sports undertakings to bring a healthy and vigorous life to the city; increase investment in public welfare and charity and share development results with the society.

The journey is long, but the future is promising. In the new year, CR Enterprise will move forward and join hands with all parties to create a better future.



Appendix

Key Performance

Economic Responsibility

Indicator	Unit	2018	2019	2020
Total Assets	One Hundred Million HK\$	946.21	1,018	1,089.17
Operating income	One Hundred Million HK\$	670.76	637.39	596.79
Recurring earnings before interest and tax ¹	One Hundred Million HK\$	44	54	50
Net assets	One Hundred Million HK\$	289.81	542.65	583.72
The ratio of return on Net Assets	%	8	7	3
The ratio of return on Total Assets	%	4	5	3
Value preservation and value-added rate of State-owned assets	%	101.62	256.10	104
Owners' equity	One Hundred Million HK\$	289.81	542.65	583.72
Total investment in fixed assets	One Hundred Million HK\$	31	17.14	13.79
Asset debt ratio	%	69	46.69	46
Overall labor productivity	Ten Thousand HK\$/year	97.74	114.92	116.44

¹ The profit data excludes one-time asset disposals.

² Under this indicator, the data disclosed in 2019 and 2020 specifically refers to the proportion of sunshine procurement in that year.

Customer Responsibility

Indicator	Unit	2018	2019	2020
R&D investment	One Hundred Million HK\$	5.32	6.58	2.85
Number of new patents	Cases	12	-	41
The ratio of qualified products	%	100	-	100

Partner responsibility

Indicator	Unit	2018	2019	2020
Economic contract performance rate	%	100	100	100*
The signing of a strategic cooperation agreement	Papers	5	6	1*
Industry-University-Research cooperation expenditure	Ten Thousand HK\$	26	15.5	79.3*
Responsible procurement ratio ²	%	100	100	100
The ratio of suppliers passing the certification of quality, environmental and occupational health and safety systems	%	100	100	100
Number of potential suppliers rejected due to social responsibility non-compliance	Cases	0	0	48
Number of suppliers whose cooperation has been terminated due to non-compliance with social responsibility	Cases	-	-	10
Number of penalties for violations of laws and regulations	Times	6	6	4*

Social Responsibility

Indicator	Unit	2018	2019	2020
Number of newly added employment	Persons	11,607	9,298	6,671
Total tax	One Hundred Million HK\$	87.07	74.62	78.38
Charitable donation expenditure	One Hundred Million HK\$	0.03	0.04	0.2
Localized employment ratio	%	-	-	97.92*

Employee Responsibility

Indicator	Unit	2018	2019	2020
Number of employees	Persons	64,000	52,635	49,630
Number of employees with disabilities	Persons	135	126	125
The proportion of female managers	%	18	19	17.3
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Medical examination coverage rate	%	100	100	100
Days of paid vacation per capita	Day	15	15	15
Average wage level of employees	Ten Thousand RMB	9.58	11.12	11.69
Employee's training coverage rate	%	100	100	100
Total investment of employee's training	Ten Thousand HK\$/year	2,691.02	2,189.09	1,903.17
Training investment per person	RMB/person	431.52	415.56	383.47
Training time per person	Day	13.75	19.19	20
Training for vocational health	Persons	14,596	23,984	3,127*
Occupational health examination	Times	1,956	9,992	1*
Assistance to employees in needs	Ten Thousand HK\$	363	228	121.9
Employee churn rate	%	14.61	24.43	15.74
Number of emergency drills	Times	2,970	3,489	3,541
Employee's safety training hours	Hours	-	951,733	880,575.50
Number of participants in safety training	Persons	-	18,205	493,598
Safety training coverage rate	%	96.70	-	100
Number of safety hazard investigations	Cases	-	53,154	110,618
Number of rectifications of potential safety hazards	Cases	-	53,067	108,421
Rate of rectifications of potential safety hazards	%	82.35	99.84	98.01
Safe production investment	One Hundred Million HK\$	1.25	1.23	1.32
The death rate per thousand persons	%	0	-	0

Environment Responsibility

Indicator	Unit	2018	2019	2020
Total annual energy consumption	Ten thousand tons of standard coal	-	30.7	25.36
Annual energy consumption reduction	Ten thousand tons of standard coal	-	3.17	5.08
Total packaging materials for end products	Ten thousand tons	-	-	0
Total investment in environmental protection management	One Hundred Million HK\$	1.43	1.71	0.84
Number of registered safety engineers	Persons	144	131	162
Comprehensive energy consumption	Ten thousand tons of standard coal	136.90 ³	29	24.77
The output value of comprehensive energy consumption per RMB 10,000	Tons of standard coal/RMB 10,000	0.06	0.17	0.12
Added-value of comprehensive energy consumption per RMB 10,000	Tons of standard coal/RMB 10,000	0.14	-0.78	0.72
Clean energy consumption	Ten thousand tons of standard coal	-	10.04	7.95
The proportion of clean energy use	%	-	32.67	58
Annual freshwater consumption	Ten thousand tons	-	3,436.37	3,790.97
Freshwater consumption per unit of industrial added value	Cubic meter/RMB	-	990.56	9.79
Investment in public welfare activities for environmental protection	Ten Thousand HK\$	-	8.65	25.38
Exhaust emissions	Ten thousand cubic meters/year	-	-	0
Wastewater discharge	Ten thousand tons	-	0.10	214.79
Wastewater reduction	Ten thousand tons	-	191.37	2,219.08
SO ₂ emissions	Tons	100.16	96.18	28.77
COD emissions	Tons	1,547.17	1,268.28	1,049.18
CO ₂ emissions	Tons	1,347,596.51	1,206,786.70	1,039,067.69
Nitrogen oxides emissions	Tons	243.21	208.72	126.27
Ammonia nitrogen emissions	Tons	166.62	132.20	111.07
Office electricity consumption	kWh	446,509	75,180	545,466*
Office water consumption	Tons	-	235	3,749.34*
Office paper volume	Papers	377,596	120,802	523,736*

Note: (1) The above performance data is rounded to two digits after the decimal point

(2) The performance data marked with * excludes China Resources Snow Breweries Limited, China Resources Ng Fung Limited, and China Resources C'estbon Beverage (China) Co. Ltd.

³ Unit: 10,000 tons

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Rating Report

Rating Report of CRE's 2020 Social Responsibility Report

Entrusted by CR Enterprise, the "Rating Expert Committee of China Corporate Social Responsibility Report" selected experts to form a rating team to rate CRE's 2020 Social Responsibility Report (hereinafter referred to as the "Report").

(I) Rating basis

The Chinese Academy of Social Sciences "Chinese Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0)" and "China Corporate Social Responsibility Report Rating Expert Committee" "China Corporate Social Responsibility Report Rating Standards (2020)".

(II) Rating Process

1. The rating team reviews and confirms the "Corporate Social Responsibility Report Process Data Confirmation" and related supporting materials submitted by the "Report" preparation team;
2. The rating team evaluates the preparation process and content of the "Report" and prepares a rating report;
3. Vice chairman of the rating expert committee, leader of the rating team, and experts of the rating team jointly sign and review the rating report.

(III) Rating Conclusion

Process (★★★★★)

The company established a Social Responsibility Steering Committee, with the party secretary and CEO serving as the director of the committee, responsible for the final review of the report, and the office took the lead in setting up a report preparation working group to coordinate and promote specific preparation work; positioned the report as an important tool to disclose social responsibility information, improve social responsibility management level, strengthen stakeholder communication and establish a responsible corporate image, with a clear functional value positioning; identified substantive issues based on national macro policies, international and domestic social responsibility standards, industry benchmark analysis, and stakeholder surveys; actively promoted subordinate profits centers including CR Snow, CR Ng Fung, and CR C'estbon to compile and released social responsibility reports, which has strengthened the vertical integration of social responsibility; planned to publish the report through the official website, and present the report in the form of electronic and printed versions, and Chinese and English versions, which showcases the excellent procedural performance.

Substantiality (★★★★★)

The "Report" systematically disclosed key issues in the industry such as product quality management, innovation development, occupational health management, safety production, energy conservation, development of circular economy, green officing, integrity management and fair competition. The description represents in full detail and showcases substantive excellence.

Integrity (★★★★★)

The main content of the "Report" includes "strict management & control to create a first-class enterprise" "sincere services to customers to create a quality life" "co-partner to create win-win cooperation" "care for employees to create a long-lasting foundation" and "green ecology to create clear waters & green mountains" "public welfare to create social harmony" which systematically discloses 90.55% of the core indicators of the industry and fully presents its excellent integrity performance.

Balance (★★★★★)

The "Report" disclosed negative data and information such as the number of penalties for violations of laws and regulations, the churn rate of employees, the number of hidden safety hazards, the number of deaths per thousand people, and the number of new occupational diseases, as well as a brief description of the handling of noise complaints, which best represents its balance performance.

Comparability (★★★★★)

The "Report" disclosed the comparable data of 53 key indicators such as operating income, full labor productivity, charity donation expenditure, safety production investment, the comprehensive energy consumption of RMB 10,000 output value, and total investment for environment protection management for three consecutive years, which showcases its comparability performance.

Readability (★★★★★)

The "Report" takes the theme of "Benefiting the Nation and Creating A Better Future" and uses "Creation and Sharing" as the keywords to run through the whole article, and systematically responds to the concept, action and effect of fulfilling responsibility for shareholders, customers, partners, employees, environment, and community, which interprets on the company's deep understanding of fulfilling social responsibilities. The cover design adopts the style of real pictures, contrasts the evolution of landmark buildings, and improves the recognition of the report; chapters spread across

pages with narrative introductions, key performances, and guidelines for readers to quickly grasp the key information; it also sets up a special part of "CRE employees' voices" which uses employee's testimonials to prove the effectiveness of responsibility performance, showing an outstanding characteristic of readability.

Creativity (★★★★☆)

The "Report" opened with two major responsibilities: "Fight against the epidemic together to promote the well-being of all the people" and "Fulfill the dream of the Greater Bay Area to speed up the growth of the youths" which focuses on the company's efforts in epidemic prevention and control and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, demonstrating the responsibility of the company; actively responds to the United Nations Sustainable Development Goals (SDGs), highlighting the company's international vision and value pursuit; sets up a special column of "Create a Shared Future" at the end of the chapter, which briefly describes the future improvement direction of key topics and showcases its innovation performance.

Comprehensive Rating (★★★★★)

Evaluated by the rating team, the "CRE Social Responsibility Report" is rated as a five-star and excellent corporate social responsibility report.



CRE Social Responsibility Report receives a five-star rating for the second consecutive years

(IV) Suggestion for Improvement

The report framework and content can further respond to current hot topics, increase the sense of the times, and enhance the innovation of the report.

Vice-president of Chinese Expert Committee on CSR Report Rating

Group leader of the rating team

Expert of the rating team

Issued on: August 16, 2021



Scan the QR code to view the enterprise rating file

Feedback

Dear readers,

This report is the eighth social responsibility report released by China Resources Enterprise to the public. In order to continuously improve social responsibility performance and management level, and continuously improve social responsibility management and the compilation of social responsibility reports, we sincerely hope that you can put forward relevant opinions and suggestions on this report and choose to fax (0755-25883982) the feedback to us.

Selectivity Questions

1. What is your overall evaluation of China Resources Enterprise Social Responsibility Report 2020?

Very good Good Average Poor

2. Do you think this report can comprehensively and accurately reflect the significant impact of China Resources Enterprise on the economy, society and environment?

Very good Good Average Poor

3. Do you think this report can respond to and disclose the issues that stakeholders concern about?

Very good Good Average Poor

4. Do you think the information, indicators and data disclosed in this report are clear, accurate and complete?

Very good Good Average Poor

Open Questions

1. Which aspect of this report are you most satisfied with?

2. What information do you want to know more about?

3. Do you have any suggestions for us to compile a social responsibility report in the future?

If it is convenient, please tell us about your personal information:

Name: _____

Profession: _____

Organization: _____

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