



China Resources Enterprise, Limited
Sustainability Report

2023

About the Report

Reporting Cycle

This is an annual report and is the eleventh social responsibility report/sustainability report released by China Resources Enterprise, Limited.

Time Span

The time period of this Report lasts from January 1 to December 31, 2023. Some contents may be beyond this time frame.

Organizational Scope

This report discloses the CSR philosophy, measures and performance of CR Enterprise and its profit centers and part of the contents involve China Resources. For better expression, China Resources (Holdings) Co., Ltd. is referred to as "China Resources Group" and "CR"; China Resources (CR) Enterprise, Limited is referred to as "CR Enterprise", "CRE" or "the Company".

Reference Standards

This report has been prepared to meet the relevant standards of sustainability disclosure and fully confirms to GRI standards.

- Sustainable Development Goals by the United Nation
- ISO 26000 : Guidance on Social Responsibility issued by the International Organization for Standardization (ISO)
- GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board
- Environment, Society and Governance Reporting Guide issued by HKEx
- GB/T 36001-2015: Guidance on Social Responsibility Reporting
- Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
- CSR Planning During the 14th Five-Year Plan period (2021-2025) issued by China Resources Group
- Regulations on the Management of Social Responsibilities of CR
- China Resources Group CSR Key Issues and Key Performance Indicators
- Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0)

Data Sources

The data used in this report is from the official documents and statistical reports of CR Enterprise and has been reviewed by

relevant departments at all levels. In case of any discrepancy between the financial data here and the annual report, the annual report shall prevail. If the data of previous years in the report differs from those in previous reports, the report shall prevail. In order to improve the accuracy of data and information communication, possible indicators and information will be revised, and the reasons and effects will be explained. The financial data in the report are in Hong Kong dollars (HK\$), unless otherwise specified. The information in this report has been reviewed and confirmed by the Company's senior leadership and therefore no external validation of this report has been sought.

Preparation Process

1 Preliminary preparation 2 Report preparation 3 Content re-view 4 Design and release 5 Reader feedback

Reliability Assurance

The Company assures that the report is free of false records, misleading statements or major omissions and is liable for the authenticity, accuracy and completeness of the report.

Access Method

This report is available in both Chinese and English, with electronic and printed versions. You can visit the CSR column of our official website <https://www.cre.com.hk/> or follow our official Wechat account to read the electronic report, or contact us to obtain the printed report.

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Feedback

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Scan the QR code and fill in the feedback



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Letter from the Chairman

As the new round of technological revolution and industrial transformation are advancing by leaps and bounds, the new quality productive forces dominated by technological innovation is continuously empowering high-quality development and will become a crucial driving force for the sustainable development of society and enterprises. Since the "14th Five-Year Plan" period, technological innovation has been an integral part of our primary businesses, and also an anchor for direction. Based in Hong Kong, CR Enterprise has set two major strategic goals, that is, to "substantially increase our influence in Hong Kong and devotedly develop an investment and incubation platform for new industries". We have continuously boosted our core competencies by empowering the current and future industries with technical research and development, and increased our clout in Hong Kong and our core role of developing strategic emerging industries (SEIs) for China Resources Group. We have been developing the new quality productive forces to help build Hong Kong into an international innovation and technology hub.

Pursuing excellence, we promote continuous business innovation

We have pushed our current business a step further. CR Logistics has successfully completed the acquisition of Kerry Warehouse (Fanling 1) at a competitive price, gradually developed a warehousing network in the Northern Metropolis, and increased the warehouse occupancy rate to 100% after taking over the Zhongshan project. CREP has proactively explored innovatively cooperative investment models, and the new product lines of the community-based commercial center have also taken shape. Pacific Coffee (Hong Kong) has

clarified its value proposition, that is, to develop a light catering platform that promotes cultural exchanges between China and the West. Its year-on-year turnover increased by over 40%, with the coffee business in Chinese mainland elevated dramatically and the franchise business continuously expanding. Meanwhile, we continue to optimize the management and empowerment of invested enterprises. We have propelled OATLY's business development in China, promoted the steady operation of the elderly care business in the Chinese mainland, and assisted the key invested company City Super Group in enhancing its influence in Hong Kong. In 2023, we went all out to promote stable growth, with the goals of "one profit and five ratios" (total profit, return on equity, overall labor productivity, operating cash flow ratio, R&D input intensity and output efficiency, overall asset-liability ratio) all met or exceeded expectations.

Be enterprising, we spearhead development with innovation

Determined to spearhead innovation, we have intensified our efforts in facilitating the development of science and innovation platforms and SEIs, as well as the implementation of related projects. To gradually form an incubation chain and explore new roadmaps for SEIs through scientific research and incubation, we have invested more in the China Resources Research Institute of Science and Technology (CRRIST). CRRIST has successfully brought in multi-level tech talents, established partnerships with Hong Kong universities and scientific research institutions, and actively engaged in the Research, Academic and Industry Sectors One-plus Scheme (RAISE+) sponsored by the Hong Kong government, with an aim to develop an innovation mechanism step by step. Moreover, our elderly vitality training intelligent robot project has applied for two invention patents and successfully entered the finals of the fourth Central SOE Yixing Innovation and Creativity Competition. Currently, CR Enterprise has become a major force of Hong Kong-based state-owned enterprises in supporting the development of Hong Kong as an international innovation and technology hub.

Working together, we blaze new trails with a strong sense of responsibility

We have collaborated with all stakeholders to create environmental, social, and economic value comprehensively. For environmental responsibility, we have contributed to global climate governance by steadily implementing the CR Enterprise Action Plan for Carbon Peaking and the CR Enterprise Work Plan for Carbon Peaking; and we have conveyed the low-carbon concept through green packaging, green products, and green charity. For customer responsibility, we have offered extraordinary customer experience with premium products and services; and we have tapped into the smart logistics sector with the power of scientific innovation. For partner responsibility, we have executed a spectrum of strategic cooperation agreements to expand our sustainability network. For employee responsibility, we have comprehensively built a high-quality talent team; and we are committed to fostering an inclusive, diverse, and respectful workplace where all the employees can achieve growth, create value, and share results. For public responsibility, we have developed the "Three Initiatives" (i.e. Creativity Initiative, Qing Yun Qi Meng Youth Enlightenment Initiative, and Dream Initiative) to offer support to Hong Kong Youth in "education, employment, and entrepreneurship". The children's painting competition of the "Creativity Initiative" has accumulatively covered more than 97,000 teenagers and over 1/5 of the primary and secondary schools in Hong Kong. For the first time, the "Qing Yun Qi Meng Youth Enlightenment Initiative" sent 20 Hong Kong college students to CR Hope Town in Shaoshan, Hunan for volunteer teaching, and gave them an immersive experience of the fruits of rural vitalization and national development. The tech talent cultivation project "Dream Initiative" has, in collaboration with HKSTP, offered a range of innovation and technology (I&T) experience activities and internship opportunities. In 2023, we won the Greater Bay Area ESG Sustainable Development Enterprise Award, the 2023 Best ESG Report Award, and the Best ESG Pioneer Award among others, which was not only an affirmation of our performance in fulfilling our responsibilities, but also an incentive for us to remain committed to a bright future.

Sustainable development is an inevitable outcome of the development of socially productive forces and the advancement of science and technology, and also a "golden key" to addressing current global issues. Looking forward to 2024, CR Enterprise will continue to unleash the power of sustainability. We will comprehensively sharpen our core competencies, and give full play to our core role in Hong Kong. Guided by and aiming at innovation, we will continuously intensify our efforts in the development of science and innovation platforms and the incubation of strategic emerging industries while boosting the core competencies of our current businesses such as logistics, community-based commercial centers, and coffee. With dreams in mind, we will press on determinedly and doughtily.

Chairman of CR Enterprise
Chen Ying

About CR Enterprise

About Us

In September 1992, China Resources (Holdings) Co., Ltd. ("CR" or "China Resources Group") invested Winland Investment Limited, a listed company in Hong Kong, and renamed it as "China Resources Enterprise Limited (CR Enterprise, or CRE)". CR Enterprise was among the first Chinese companies to be listed in Hong Kong. As the first listed company of CR, it initiated a new era of Chinese companies entering international capital market.

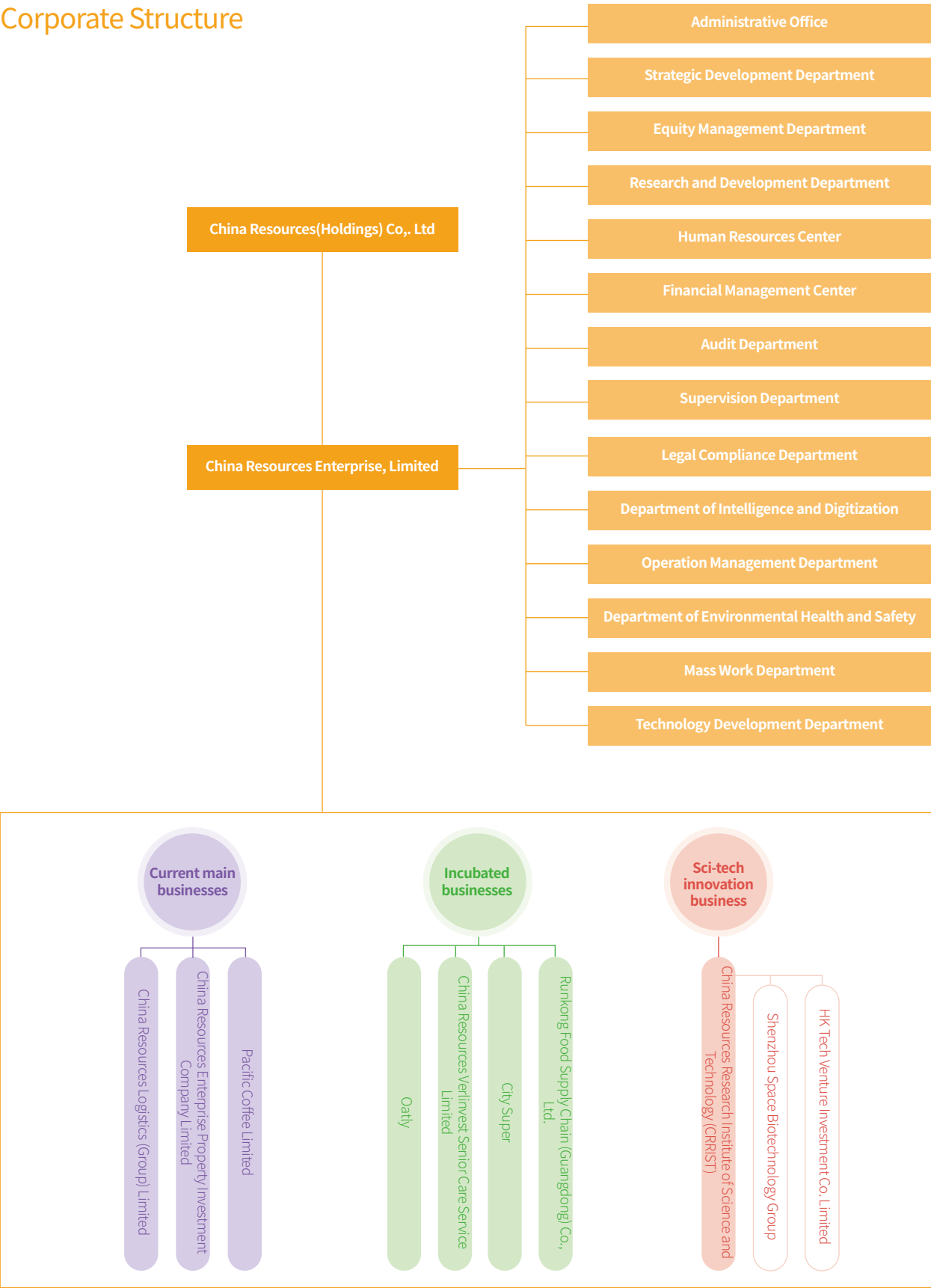
Since its establishment nearly 30 years ago, CR Enterprise has successively involved in mergers and acquisitions in 15 industries such as beer, real estate, consumer goods, retail, gas, and cement. The Company incubated and spun off 4 listed companies for CR, including CR Land, CR Gas, CR Cement and CR Beer.

Since the "14th Five-Year Plan" period, CR Enterprise has formulated a new strategic plan. Positioned as "the mainstay for CR's business in Hong Kong and the enabler for the incubation of emerging industries", CR Enterprise has set up the China Resources Research Institute of Science and Technology (CRRIST) in Hong Kong, which is organized into three arms: Institutes of

Life and Health, Intelligence and Digitalization, and New Materials. Taking account of national needs, Hong Kong's advantages and CR's strengths, CRRIST promotes the translation of advanced scientific research achievements at home and abroad, brings technological talents together, and actively explores strategic emerging industries for opportunities. This helps build Hong Kong into an international innovation and technology hub.

CR Enterprise maintains our original aspiration and commitment to fulfilling social responsibilities based in Hong Kong. To help the youth in Hong Kong navigate challenges in education, employment and entrepreneurship, we have orchestrated projects such as the Creativity Initiative, the Qing Yun Qi Meng Youth Enlightenment Initiative, and the Dream Initiative. The projects instruct the young in diverse skills, career planning, innovative thinking, and a positive mindset, creating more opportunities for the growth and success of the young and aligning with the national development agenda.

Corporate Structure



CR Enterprise Milestone

1992

China Resources Group (CR) acquired Winland Investment Limited and renamed it China Resources Enterprise Limited (CR Enterprise), which was among the first batch of Chinese enterprises listed in Hong Kong.

1993

CR Enterprise co-funded China Resources (Shenyang) Snowflake Brewery Co. Ltd, marking its debut in the brewery industry.

1995

Ng Fung Hong Limited, which was renamed China Resources Ng Fung Limited afterwards, was listed on Hong Kong Exchanges and Clearing Limited (HKEX). CR Enterprise acquired 26% of its equity, entering food sector.

1996

CR Enterprise acquired 67.25% of the equity of a purified water plant and established C'estbon. China Resources Beijing Land Limited (Now known as China Resources Land Limited) was split from the headquarters and got listed.

1997

CR Enterprise became an HSI constituent stock. It established a joint venture company with Esprit Holdings Limited, serving as a Chinese distributor of Esprit.

1999

CR Enterprise acquired the retail business of CR and increased its stake in China Resources Supermarket (Hong Kong) Limited to 100%.

2000

CR Enterprise transferred the equity of China Resources Beijing Land Limited and Logic International Holdings Limited, which was renamed China Resources Logic Limited and China Resources Gas Group Limited, to CR.

2001

CR Enterprise made Ng Fung Hong Limited a fully invested subsidiary and privatized it.

2003

The Company's concrete business was split and integrated with CR's concrete and cement business, giving birth to a new enterprise that was then listed on HKEX and renamed China Resources Cement Holdings Limited.

2004

CR Enterprise increased its stake in Wanjia Asset to 100% and acquired the Suguo brand supermarket business.

2007

CR Enterprise completed the sale of all petroleum businesses and increased its stake in purified water business to 100%.

2009

CR Enterprise swapped assets with CR, our textile and container terminal businesses for 75 supermarkets in China and a brewery in Shandong province, to boost core retail and consumer goods businesses.

2010

CR Enterprise acquired 80% of the stake in Pacific Coffee (Holdings) Limited. We completed selling stake in China to Esprit Holdings Limited. From then onward, CR Enterprise focused on four core retail and consumer goods businesses namely retail, brewery, food and beverage.

2011

CR Enterprise developed its retail businesses by means of acquisition and joint venture.

2015

CR Enterprise completed the sale of all non-beer businesses to CR. China Resources Enterprise Limited was renamed China Resources Beer (Holdings) Company Limited.

2016

CR Vanguard has been directly manage by to CR. China Resources Enterprise Limiter made beer, food and beverage its main businesses. In 2016, China Resources Fund (limited partnership), the first overseas industrial fund launched by CR Enterprise, completed its first-phase delivery in Hong Kong. CR Enterprise also acquired the newly-built Kuiyong Logistics Center and renamed it China Resources International Logistics Centre that started operation in the same year.

2018

CR Beer announced a long-term strategic cooperation with HEINEKEN Group and acquired its business in China to form an international and high-end beer brand. To keep up with the trend of consumption upgrading, CR Enterprise innovated its products and businesses, introducing a series of high-end products and sales outlet function systems, represented by "Beer of Craftsmanship", "Honeydew Lemon" and Pacific LUXE.

2019

CR Snow completed the acquisition of Heineken, increasing its market value in the high-end segment to a record high.
CR Enterprise signed a strategic cooperation framework agreement with Tencent.

2020

CR Enterprise completed the Greater Bay Area logistics strategic plan, clarified the logistics positioning and goals in the Greater Bay Area, and completed the investment in Kaida project on this basis. China Resources Logistics Kaide Center was incorporated into the warehousing logistics business management sequence.
CR Enterprise and Guangzhou Nansha Modern Agricultural Industry Group Corporation reached a strategic cooperation agreement to jointly develop Nansha logistics projects.
CR Enterprise established CRE Smartech (Shenzhen) to empower the consumer goods industry and new retail with high technology.

2021

CR Enterprise nailed down new strategies and missions, new industrial layout and investment direction. We grew investment and the function of technology, transforming from a consumer goods company with diversified operations into an industrial investment platform under CR.
CR Enterprise undertook CR's stake in OATLY and China Resources Verlinvest Senior Care Co., LTD's stake and management right. The management rights of CR Snow, CR C'estbon and CR Ng Fung were transferred to CR.

2021

Our subsidiary China Resources Logistics (Group) Limited scaled up storage in Hong Kong and completed the acquisition of Tunmen and Fenling projects, adding storage area by 620,000 square feet.
We facilitated cooperation with organizations in Hong Kong such as the Government of the Hong Kong Special Administrative Region, Hong Kong universities and Hong Kong Science and Technology Parks. We signed agreements with the City University of Hong Kong, the Chinese University of Hong Kong, Fung Investments and Hong Kong Science and Technology Parks to build Hong Kong into an international I&T hub based on reasonable resource allocation.

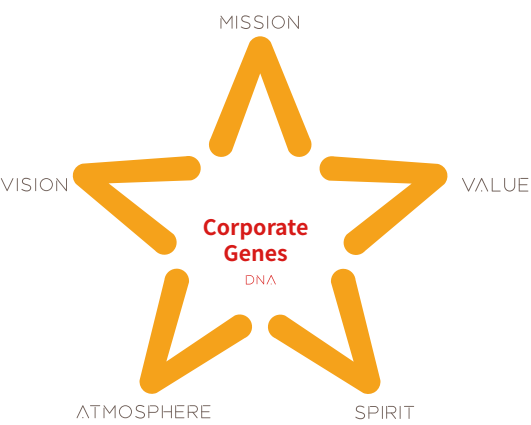
2022

CR Enterprise was committed to its strategic role as the major force of CR in Hong Kong. Our subsidiary China Resources Logistics (Group) Limited completed the acquisition of Shatian Warehouse, Chaiwan Warehouse and Shangshui Warehouse and seized opportunity to acquire Banfu Project in Greater Bay Area. The HKD 1.36 billion acquisition of Xincheng Shopping Center was made. Pacific Coffee took up the second largest scale in Hong Kong and built its sub-brands Moojoo and Quik D.
CR Enterprise made fruitful achievements in organizational mechanism, scientific research projects and investments in science and innovation. We completed the transfer of stake in Shenzhou Biology & Technology Co., Ltd. and City Super Group. We established Institute of Life and Health, Institute of Intelligence and Digitalization, Institute of New Materials subsequent to China Resources Research Institute of Science and Technology. We also built joint research centers with well-recognized universities, scientific research institutions and R&D enterprises.

2023

We successfully completed the interim review of the "14th Five-Year Plan" period. To timely reposition our core functions and competitive edges, we shifted our strategic positioning to "the mainstay for Hong Kong business development and the enabler for the incubation of emerging industries", and expanded our business landscape as "321 businesses + new livelihood business in Hong Kong + strategic emerging and future industries".
We built a CR-specific three-tiered sci-tech innovation system. The CRRIST was inaugurated in Hong Kong with subsequent efforts made for further construction, including bringing in multi-level tech talents and gradually establishing the innovation system. Together with universities and scientific research institutions in Hong Kong, we worked to develop a joint R&D model for sci-tech innovation investment and incubation. By means of technologies, we sought to empower CR Enterprise's business. Moreover, we actively explored technological opportunities in emerging industries.
CR Logistics completed the acquisition of Kerry Warehouse (Fanling 1), and increased the warehouse occupancy rate to 100% after taking over the Zhongshan project; CREP actively built a community-based brand; Pacific Coffee (Hong Kong) set a clear value proposition, that is, to develop a light catering platform that promotes cultural exchanges between China and the West.

Corporate Culture



Corporate genes

Determined to realize the great rejuvenation of the Chinese nation
Pursue to create a happy life for the people
Strive for the economic prosperity for the country

Value

Integrity
Performance-Oriented
People-Oriented
Win-Win Collaboration

Mission

Lead the business progress and build a better life together

Corporate spirit

Dedicated oneself to the cause of the country
Be the pioneer to be innovative
To forge ahead with perseverance
Exert constantly for the betterment

Vision

To become a global leading industrial investment company
To serve people's livelihood in Hong Kong
To connect the world through innovation

Organizational atmosphere

Sincerity
Solidarity
Open-mindedness
Proactivity

2023 Highlights

January

CRRIST, focusing on innovation and technology (I&T) transformation, was inaugurated in Hong Kong.



CR Enterprise signed a Memorandum of Understanding (MoU) with Hong Kong Cyberport in pursuit of joint incubation of I&T companies and start-ups in Hong Kong.



March

CR Enterprise signed a strategic MoU with China Mobile Hong Kong to boost tech innovation in Hong Kong.



May

CR Enterprise signed a MoU with the Hong Kong Polytechnic University to establish the CR-PolyU Joint Research Institute for Carbon Neutral New Materials.



CR Enterprise signed a collaboration agreement with the City University of Hong Kong to jointly promote the aerospace project.



CR Enterprise signed a collaboration agreement with the Chinese University of Hong Kong to jointly drive Hong Kong sci-tech projects' participation in the national space program.



August

CRRIST signed a MoU with the Yangtze Delta Region Institute of Tsinghua University, Zhejiang, to establish the Joint Innovation Center in Hong Kong.



December

CR Enterprise cemented the partnership with Hong Kong Baptist University, officially establishing the CR-BU Joint Innovation Centre on Smart Chinese Medicine.



CR Enterprise signed a MoU with Tiandi Science & Technology (Hong Kong) to promote the construction of the CR-Tiandi HK Joint Research Center.

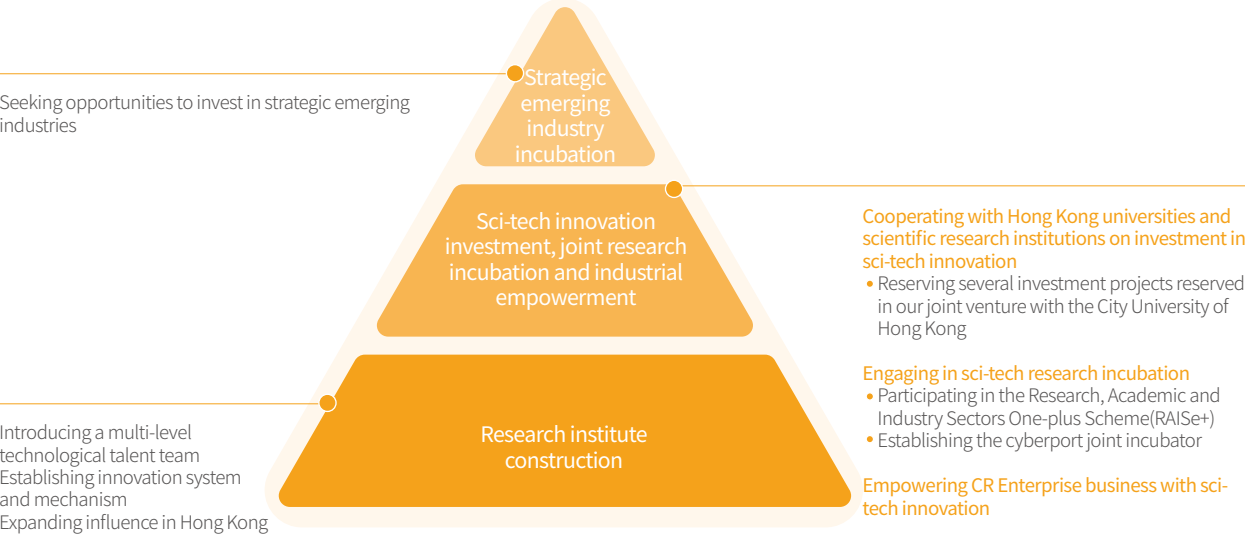


CR Enterprise signed a Joint Accelerator Program Collaboration Agreement with Hong Kong Cyberport to expedite the translation and application of R&D outcomes.



Spotlight I: Embarking on Innovation, Succeeding in Quality

In 2023, CR Enterprise's technological innovation was advanced by means of the three-tiered pyramid with research institute construction at the bottom, sci-tech innovation investment, joint research incubation and industrial empowerment in the middle and strategic emerging industry incubation on the top. Specifically, the system construction of China Resources Research Institute of Science and Technology (CRRIST) is our top priority.



The Government of the Hong Kong Special Administrative Region is fully committed to creating a world-class open cooperation platform to promote exchanges among political, industrial, academic, and research sectors in Hong Kong and worldwide, thus improving Hong Kong's international influence in scientific research, innovation, and entrepreneurship. We are continuously optimizing our systems and talent strength, and work to build Hong Kong into an international innovation and technology hub to foster cooperation on innovation and technology in Chinese mainland, Hong Kong and even the whole world, contributing to the new quality productive forces for the country.

John Lee Ka-chiu , Chief Executive of the Hong Kong Special Administrative Region



On March 20, 2024, CRRIST signed a contract with OASES, becoming a major corporate partner of the Hong Kong government.

Reforming the CR research institute as a platform for new aims

China Resources Research Institute of Science and Technology is clearly positioned around the principle of "what the country needs, what Hong Kong excels at, and what China Resources can do". It is committed to becoming an influential integrated platform in Hong Kong for government, industry, university, research institute and application. In 2023, we introduced

a multi-level team of technological talents, and established corresponding innovative system and mechanism. In addition, we nailed down three research areas including intelligence and digitalization, life and health, and new materials, aiming to support Hong Kong in becoming an international innovation and technology hub.

Rallying technological innovation talents

Synthesizing the strengths of high-performing innovative talents is a necessity for developing new quality productive forces. CR Enterprise is independently cultivating innovative talents, gathering those from around the globe. By deeply integrating

talent chain with industry chain, innovation chain and capital chain, we endeavor to inject talent momentum, support and advantages into developing new quality productive forces.

Talent introduction

- The introduction of high-end technological talents, especially the leading ones, is our strategic project. To this end, we have unveiled the *Management Measures for the Employment of Technological Innovation Talents* and the *Management Measures for Part-time Technological Talents*. Additionally, we keep exploring diversified talent introduction strategies such as project-based employment, targeted introduction, intermediary recruitment, and flexible hiring.
- Currently, CRRIST has appointed Mai Qianyu, Founder of Roborn, as the chief scientist of the Elderly Care Robot Joint Research Center; Prof. Qin Jun, Former Director of the National Center for Protein Sciences in Beijing and Prof. of the Department of Biochemistry and Molecular Pharmacology at Baylor College of Medicine, and Prof. Hu Shen, Tenured Full Prof. at UCLA, as the chief scientists in the life and health sector; and Prof. Zhang Dan, Chair Prof. of Intelligent Robotics and Automation at Hong Kong Polytechnic University and Academician of the Canadian Academy of Engineering, as the chief scientist in the field of artificial intelligence.



Prof. Qin Jun
Chief Scientist in Life and Health



Mai Qianyu
Chief scientist
(Elderly Care Robot Joint Research Center)

Team building

- Leveraging the key role of top-notch technological talents in predicting technological trends and overcoming critical challenges, we have formed a high-level R&D team in charge of making technological breakthroughs in specific areas and incubating new industries. We are making every effort to maximize the "chain effect" for talent introduction and cultivation, building momentum in innovation-driven development. As a proactive referrer of CR's youth talent selection project, the Institute has successfully recommended Dr. Dong Xiaonan as the nominee for the project.
- By now, CR Enterprise has formed a team of 68 technological talents, including 37 research managers and 31 researchers.

Joint cultivation

- We are collaborating with Hong Kong universities on jointly cultivating youth technological talents and college graduates to inject fresh blood into the Company.
- We strive to establish a comprehensive high-end talent introduction mechanism at the end of the 14th Five-Year Plan period, and build an open talent ecosystem to accommodate one hundred talents in scientific research, technological development and management. We aim to engage talents as leaders and enablers in the development of new quality productive forces.

Establishing innovative mechanism

We issued the *Implementation Measures for Fault Tolerance and Correction (Trial)*, and held a technology innovation fault tolerance workshop to set the stage for technological innovation. We formulated the *Scientific Research Project Approval and Evaluation Measures* to underpin 4 research models including providing research services for external enterprises, jointly conducting scientific research with our

business divisions, empowering CR Enterprise business with technological applications, and leading scientific research under the guidance of the Institute. We hosted various innovation seminars, lectures, and training sessions to communicate the innovation idea, inform employees of the importance of technological innovation to the Company, and set a paradigm for innovative practices.

Sci-tech innovation investment, joint research incubation and industrial empowerment

CR Enterprise is committed to exploring new paradigms for scientific research in Hong Kong and mainland application. We engaged in the planning for the Northern Metropolis and the Hetao area, formulated the Management Measures for Technological Achievement Application Incentive, and developed scenario-oriented services including new products, technologies and models. We have gained experiences in

technology promotion, trial and qualification, pilot incubation, achievement docking, negotiation and cooperation, benefit distribution, and coordinated development, which contributed to our tremendous applications unseen before and boosted the transformation of technological achievements into solid productivity.

Incubation achievements

Two invention patents of the elderly vitality training intelligent robot project have been submitted and chosen as a runner in the fourth Central SOE Yixing Innovation and Creativity Competition organized by the SASAC.

The FSERS System Development Project for food safety testing has saw 2 invention patents submitted and 1 utility model patent submitted.

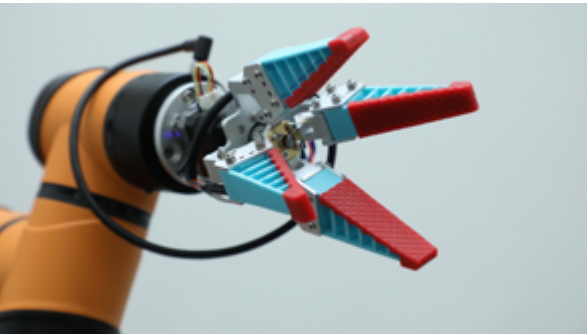


Case CRRIST looks to establish a biological testing center with HSITP as its first batch of signatories

In April 2024, the China Resources Research Institute of Science and Technology (CRRIST) signed a Memorandum of Understanding (MoU) with the Hong Kong-Shenzhen Innovation and Technology Park (HSITP), becoming one of the first batch of its partners. The two parties seek to jointly establish a biological testing center, which focuses on a series of advanced biological analysis and testing, as well as applications of the results. The center aims to build up core competencies of the sectors in Hong Kong empowered and driven by scientific R&D, satisfy societal demands in health and medical care, and help Hong Kong develop into an international science and innovation hub.



Remote control of the intelligent robot for elderly vitality training



A robot arm in the Elderly Care Intelligent Robot Joint Research Center

Empowering traditional industries and making strides in high-quality development

The in-depth industrial upgrading is the driver for new quality productive forces. To synthesize technological elements and traditional business models, CR Enterprise has been accelerating digital transformation, and has established a

brand new business layout featuring "321 Businesses + New Livelihood Business in Hong Kong + Strategic Emerging and Future Industries". We strive to empower comprehensive industrial transformation through technological innovation.

CR Enterprise

CR Enterprise has upgraded its EHS management system. By integrating IoT and AI technologies, the Company has enabled automatic identification of critical on-site risks, intelligent early warning and monitoring, and remote emergency management, resulting in significant improvement in our capacity to prevent and manage EHS incidents and risks. Our endeavor won the Outstanding Application Award of the 2023 Intelligent Monitoring Business Model Innovation by the SASAC.

CR Enterprise plans to pilot an internal large-model software system that integrates the latest AI algorithms and big data analytics to enhance the Company's efficiency and decision-making quality in such key areas as R&D, administrative management and strategic planning.

CR Logistics

CR Logistics' smart logistics parks utilize smart vehicles and adopt security management measures to enhance park operational efficiency and safety.

CREP

CREP has created smart communities to vitalize both online and offline consumption, and has accordingly built an extensible, one-stop digital service ecosystem for the communities.

Pacific Coffee

Pacific Coffee has built a digital platform for store operations, combined online and offline ordering channels, and connected various payment platforms in Hong Kong. By using AR tools to enhance customer experience, the company has achieved business growth and won the CR Group Digital and Intelligent Innovation Project Award.

Incubating strategic emerging industries and building momentum in competition

A surge of technological revolution and industrial transformation is reshaping economic structure and industry landscapes. Strategic emerging industries and future industries have become new arenas of business competition, as well as

the main battlegrounds for developing new quality productive forces. CR Enterprise has formed a special team that is dedicated to strategic emerging industries, with a focus on cutting-edge technologies, disruptive innovations, and core industries to engage itself in these emerging fields.

Mergers and acquisitions

Focusing on AI advancement and vigorously developing strategic emerging industries and future industries

The first industrial layout has stepped in the stage of project demonstration and approval

Internal growth

Reserving technologies in multiple dimensions, and integrating technological application with traditional business for greater benefits

Promoting the digital transformation of traditional industries, and fostering an internal ecology for incubating and developing new quality productive forces

Spotlight II: Supporting Hong Kong Youth to Fulfill Their Dream

Hong Kong youth are the future of the city, and their growth and development are crucial to Hong Kong's prosperity and stability. As the mainstay behind CR Group's business in Hong Kong, CR Enterprise is vigorously fulfilling its social responsibilities as a central SOE in Hong Kong. We focus on Hong Kong youth's education, employment and entrepreneurship, paving the way for the "Three Initiatives" social responsibility brand.

Supporting education and carrying forward fine traditional culture

CR Enterprise has established a "3+1" system that includes 3 public classes and one practical competition. In the meantime, we have built a number of brand clusters such as the Spring Sprout Plan, the "Youth of Future" TV program, the "Heart with Heart" Workshop, the Art Jamming Shared Art Space, the "Six

Arts of a Gentleman" and the "Creativity Initiative" Painting Competition. We held the "Creativity Initiative" Painting Competition for the fourth consecutive year, with over 7,000 young participants, promoting national education and carrying forward fine traditional Chinese culture.



The awarding ceremony of the 4th "Creativity Initiative" Painting Competition



The parent-child workshop of the 4th "Creativity Initiative" Painting Competition

Comments from stakeholders

"It is a pleasure to see CR Group hosting the "Creativity Initiative" Painting Competition over years. On behalf of the Hong Kong Artists Association, I congratulate all student players and hope they can use their creativity and talent to create even more outstanding works."

Lam Tianxing, Chairman of Hong Kong Artists Association



Supporting youth employment and career development

In 2023, the Youth Vocational and Academic Project was re-named the Pre-employment Empowerment Project of Qing Yun Qi Meng Youth Enlightenment Initiative. It focuses on diversified pre-employment training and job experiences, with workplace mentors guiding newcomers to develop positive thinking and

guide career planning. Additionally, we launched a Hong Kong university student cross-border teaching project, in a bid to help them get involved in the national development agenda and fulfill their career aspirations.

Employment secured by pre-job planning

We held Youth Welcome Day and CR Open Day targeting middle school students aged 12-16, providing consultations including pre-job career planning classes, workplace experience exchanges, industry company visits, workshops, and industry information lectures. We aimed to help young students to unlock their full potential and establish a positive career attitude.



CR Enterprise hosts the Youth Welcome Day

Skills honed in internship

For young people aged 16 and above, we offer short-term job experiences and long-term internships according to their interests. Workplace mentors are in place to help develop their soft skills in work. Over the past three years, nearly 350 young people gained job experiences or completed short-term internships in CR Group.



Interns of CR Logistics

Career dreams upheld by cross-border visits

CR Enterprise, in collaboration with Hong Kong Federation of Education Workers, has launched a Hong Kong university student cross-border teaching project under Qing Yun Qi Meng Youth Enlightenment Initiative, to place the teaching career as the orientation of youth employment support. We have enrolled 20 local university students in Hong Kong in the volunteering teaching project in CR Hope Town in Shaoshan, Hunan. This endeavor aimed to guide the younger generation with aspiration for the teaching career to enjoy the achievements of rural vitalization and national development, and support them to embark on their teaching career.



The Hong Kong University Student Volunteer Teaching Program under Qing Yun Qi Meng Youth Enlightenment Initiative

Comments from stakeholders

"I hope everyone can seize this opportunity to shine the light of knowledge on more children!"

Zhu Guoqiang, Vice President of Hong Kong Federation of Education Workers, Member of Legislative Assembly

"After I experienced this volunteer teaching project, I become more confident in my dream of becoming a teacher. Once my dream come true, I wish I could come to the mainland to voluntarily teach the students there for 2-3 weeks every year. Because that experience is so wonderful!"

A member of the volunteer teaching project



Scan the QR code to learn more responsibility practice of CR Enterprise

Innovative technological talents cultivated by entrepreneurship support

CR Enterprise, in cooperation with HKSTP, has launched a tech talent cultivation project "Dream Initiative" that aims to change the situation in Hong Kong where the "STEM" education is of no use and no one is willing to engage in innovation and technology industry. We strive to foster a social climate where there is no boundary for innovation and technology and fulfill the vision of "the society advocates science, the youth aspires for research, and the talents devote to technological innovation", thus contributing to the national objective of invigorating China through science and education.

CR Enterprise is committed to rooting itself in Hong Kong, and serving Hong Kong. The Company is dedicated to progressively and wholeheartedly supporting Hong Kong youth in their studies, employment, and entrepreneurship. By addressing key challenges faced by youth in their growth, CR Enterprise aims to build a comprehensive, multi-tiered support system for young people. Therefore we can help unlock their full potential as they step into the society, thus lighting up the future of Hong Kong!



The tech talent cultivation project "Dream Initiative" is launched, with a series of experiencing activities carried out for middle school students in Hong Kong.



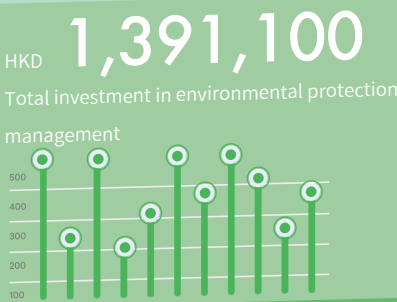
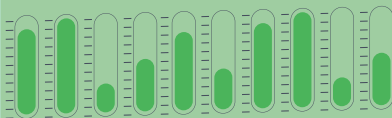
Environmental (E)

Fostering Co-Prosperity with Hong Kong

CRE Responsibility

CR Enterprise pursues green and low-carbon development and proactively fulfills our environmental responsibilities. We continuously improve our environmental management system, and encourage innovation and the adoption of energy-saving and eco-friendly products and technologies. Faced with the global challenge of climate change, we are committed to advocating a green lifestyle. We integrate the concept of green operations into our corporate culture, and encourage our employees and partners to jointly create a green environment that supports sustainable development.

21,582.3919 tons
CO₂ emissions



5,098 tons of standard
coal equivalent
Total energy consumption in 2023



GRI Indicators
301-3/302-4/302-5/303-2/305-5/306-1/306-2



ESG Story: OATLY Supports Sustainability and Nourishes the Earth Throughout Life Cycle

As a sustainability pioneer within the industry, OATLY has always measured environmental friendliness and sustainable development throughout production, operation, management, and marketing. From the selection of raw materials to the low-carbon and eco-friendly production and operations, and the recycling of packaging materials, every step OATLY takes aims to protect the Earth.

Sustainable packaging makes the Earth greener

The FSC logo on the oat milk carton is a certification mark from the Forest Stewardship Council(FSC), indicating that OATLY's packaging materials are sourced from traceable and eco-friendly forest resources. Therefore, compared with dairy products, each bottle of oat milk can reduce over 70% of carbon emissions.

Embracing low carbon and eco-friendly principles to make the Earth less strained

OATLY takes tangible actions to care for the Earth and practice sustainable development. By purchasing green electricity, OATLY drives 100% green electricity use in Ma' anshan and Singapore factories, ensuring further carbon reduction beyond 70%. It also adopts water-saving processes, thereby saving a large amount of water during the production of oat milk compared to similar products.

Resource recycling makes the Earth healthier

OATLY is committed to alleviating the burden on the environment. OATLY implements resource recycling initiatives, and ensures that each step from packaging to raw materials is tangibly beneficial to the Earth.

Recycling of cartons and bottles

OATLY has launched the paper-based composite packaging recycling campaign. To recycle packaging materials, it encourages coffee and tea shop operators to collect used packaging for reuse through the recycling chain established by OATLY.



RPET eco-friendly raincoats

To encourage consumers to practice a new low-carbon lifestyle, OATLY has initiated a joint plastic bottle cleanup campaign, and creatively remodeled the discarded bottles collected from the Yellow River into rPET eco-friendly raincoats.



A second chance for surplus oat raw materials

OATLY recycles surplus raw materials during the oat milk production process and turns them into items such as bio-based leather and new materials, oat plant-based meat products, oat biscuits, and baked goods.



Climate Change

Climate change imposes challenges on the environment, society, and economy and CR Enterprise continuously contributes to mitigating climate change. The Company responds to the national strategy of carbon peaking and carbon neutrality ("decarbonization strategy") and developed the 2023 CR Enterprise Work Plan for Carbon Peaking. Additionally, the Company has taken multiple measures to decrease the negative impact of corporate activities on the environment, and organized a series of training initiatives to boost "decarbonization" awareness.

Goal-setting

Indicator	Goal
Comprehensive energy consumption per operating income (tons of standard coal/ RMB 10,000)	An annual average decrease of 2.0% with 2022 as the base year
Comprehensive energy consumption per added value (ton of standard coal / RMB 10,000)	An annual average decrease of 2.0% with 2022 as the base year
CO ₂ emission intensity (tons / RMB 10,000)	A decrease of 4% with 2023 as the base year
Ratio of consumption of electricity generated from new energy to total electricity consumption	20%

A series of training on environmental protection

June	A knowledge quiz about low carbon and eco-friendly initiatives was launched, with more than 1,300 participants. Aimed at "popularizing knowledge about environmental protection and carrying out education on energy conservation and carbon reduction", the event called on everyone to be pioneers and practitioners of green, low-carbon, and high-quality development.
July	The Environmental Protection and Plastic Reduction Initiative was released to call on everyone to be a practitioner, demonstrator and advocate of "plastic reduction and restriction", and proactively integrate the concepts of green, low carbon, and energy saving principles into work and life.
August	The experience exchange meeting on the facilitation of low-carbon and zero-carbon projects was held with experts invited to deliver specialized lectures and training. At the meeting, we also communicated about our carbon-peaking actions and clarified the roadmap and goals for 2024.



Case / Committed to energy conservation and carbon reduction, CR Logistics vigorously promotes green transportation

To better lower the environmental impact during transportation, CR Logistics has implemented several initiatives to deploy green transportation. New energy vehicle charging piles have been installed in the parking lot to promote green and clean energy. Approximately HKD 8 million has been invested to purchase new vehicles, with 90% of container trucks meeting the EU6 emission standards currently. Besides, it has launched a smart logistics distribution capacity pool project, dynamically optimized routes for lower fuel consumption, increased the cargo loading capacity of vehicles, and conducted eco-driving training for drivers to minimize vehicle idling, optimize fuel efficiency, and cut carbon emissions. Moreover, it has innovated the intelligent garment warehouse renovation project for Quince by adopting an AGV-based goods-to-person picking solution with high-density storage, deploying automated equipment, and boosting operational efficiency holistically.

Employees from CR Logistics and CREP visit China Resources Group for exchanges on CR Enterprise's carbon management, and visit CR Sanjiu Guanlan Production Base to have onsite exchanges on low-carbon and zero-carbon project construction.



On November 16, the president of CRECCHKI visited CR Enterprise and had a discussion on green and sustainability practices.



On December 14, the deputy managing director of the China Quality Certification Center visited CR Enterprise and had communication and exchanges on carbon-neutrality and carbon-peaking practices.



Clean Operations

CR Enterprise is committed to building an efficient and energy-saving operation system and making a positive contribution to the sustainable development of society and the environment. To this end, the Company continuously optimizes the energy utilization process, promotes green packaging and consumption, and propels the green and low-carbon transition.

Tighter environmental protection

We continuously improve our environmental management system and optimize the environmental early warning and emergency response mechanism. We also further the management of equipment energy efficiency to lower energy consumption and emissions in the production process.

Meanwhile, we implement efficient waste classification and recycling programs to ease the impact of our operations on the environment and help achieve harmonious coexistence between humans and nature.

Case / Runping Investment releases guidelines for the management of by-products and waste materials to boost disposal efficiency and resource utilization

In response to the waste management requirements of China Resources Group, Runping has revised and released the Runping Investment Guidelines for the Management of By-products and Waste Materials, which aims to standardize the disposal process of waste materials. Starting from January 1, 2024, the disposal and transaction of its idle and waste materials will be carried out through CR's tendering and procurement platform "Idle and Waste Materials Zone" to ensure the transparency and fairness of transactions. This effectively boosts the efficiency of energy and resources use.

Case / CREP's solar power station boosts economic and environmental benefits

At the end of 2023, the Wan Tau Tong Solar Power Station was put into operation, which is projected to bring CRE an annual revenue of about HKD 360,000 and a total revenue of HKD 3.6 million within ten years. The power station boasts an installed capacity of 212 kWp, with an annual clean power generation of 214,700 kWh. Compared with traditional coal-fired power plants, the Power Station can save 77.33 tons of standard coal equivalent, and decrease dust emissions by 58.43 tons, nitrogen oxides by 32.21 tons, carbon dioxide by 170.38 tons, and sulfur dioxide by 6.65 tons each year, which empowers the company in energy transition and environmental protection.

Case / CR Logistics actively addresses the noise issue at the Sha Tin Cold Storage No.1

In August 2023, upon receiving the suggestion letter from the Environmental Protection Department (EPD) of the Government of the Hong Kong Special Administrative Region, CR Logistics promptly responded to the noise issue at the Sha Tin Cold Storage No.1 reported by the community residents. On the one hand, it optimized internal operations, shortened floor work hours, and increased the equipment maintenance frequency. On the other hand, multiple thematic conferences were organized for the rapid noise abatement by installing variable frequency drives, and multi-party meetings were organized for better communication and understanding. Ultimately, the four condensers that were the noise source were replaced. The noise measurement result conducted by the EPD was "qualified".

More structured energy mix

We continuously optimize the energy mix. Through refined management and technological innovation, we optimize the operation of equipment. We also proactively explore and promote the application of eco-friendly vehicles to cut

energy consumption and emissions. All these endeavors are geared towards green and low-carbon transition in business development and a clean, efficient, and safe energy system.

Case / CR Enterprise intensifies management over equipment energy efficiency to promote green and low-carbon management

In May 2023, CR Enterprise conducted a thorough inspection of key energy-consuming equipment in all business units, and issued the Notice on Further Strengthening Equipment Energy Efficiency Management and Pushing Ahead with Green and Low-Carbon Work. The Company actively promoted the retrofit and upgrade of existing key energy-consuming equipment, and proposed stringent requirements on the newly purchased equipment, which must meet the highest energy efficiency standards. A refined review process was set up to control energy consumption from the source. All these initiatives laid a solid foundation for the Company's green development in the long run.

Case / CRL Zhongshan works with CR Gas to jointly promote the construction of comprehensive green energy projects

In November 2023, China Resources Logistics (CRL) Zhongshan Warehouse (CRL Zhongshan) established a partnership with CR Gas to carry out a number of comprehensive energy projects, including 3.2MW distributed photovoltaics (the first phase is 500 kW), public charging stations (6*60kW), hot water supply system (serving 73 rooms), and thermal storage system (covering 3,000 square meters). The projects involve a total investment of about RMB 15 million. The goal is to build a green and low-carbon logistics park powered by multiple energy sources, which is expected to be completed and connected to the grid by April 2024.



Green Life

CR Enterprise champions eco-friendly production and a green lifestyle. We have launched a myriad of green office initiatives which penetrate our daily operations and employees' daily activities. We have also organized various public welfare activities for environmental protection. Through these tangible actions, we have bolstered social attention to environmental protection and jointly built a harmonious ecological homeland.

Green office

We integrate the concept of environmental protection and resource conservation into every detail of our daily operations. We have taken multiple initiatives, including reducing paper use through digital management, promoting green meetings,

and encouraging water and electricity conservation. These initiatives promote conservation and comprehensive utilization of resources, reduce office costs and improve operational efficiency.

CR Logistics

- Several methods are taken to raise employees' awareness of green offices and vigorously promote paperless offices.
- Shenzhen branch uses durable tea cups to reduce the use of disposable items.
- It is encouraged to walk stairs more, shut down all power after work, and set the air conditioner (AC) at 24/25 degrees at the wharves, Pak Sik Godowns, and ILCs.

Runping Investment

- The air conditioning temperatures in summer are set at no less than 26 degrees.
- Unnecessary lighting equipment is switched off during lunch breaks, and appliances automatically go into sleep mode when not in use.
- The paperless office is promoted and the CR's OA platform is used to improve productivity and reduce paper use.
- It is encouraged to use double-sided printing and scrap paper for non-essential documents to save paper.
- Initiatives such as electrical equipment checks and maintenance, and power consumption monitoring are carried out on an ongoing basis in company-owned stores.

Pacific Coffee (Hong Kong and Overseas)

- The new central kitchen uses more energy-efficient water coolers and LED lights to save electricity effectively.
- The new central kitchen uses foot-operated sinks to save water.
- Indoor temperatures are maintained between 24-26 degrees in summer and unused appliances and systems are shut off timely.
- Energy-efficient machines are preferred during purchase to further reduce energy consumption.

CRRIST

- It is advocated to promote paperless offices. All the employees are encouraged to save water and electricity. Designated personnel will check and turn off equipment not in use promptly before and after work.



Charitable environmental activities

We proactively launch campaigns to raise awareness of environmental protection and energy conservation. Through cultural outreach campaigns such as June 5th Environment Day, National Energy Conservation Week, and National Low

Carbon Day, we mobilize employees to participate in the knowledge quizzes about environmental protection, creating a sound atmosphere for everyone's involvement.

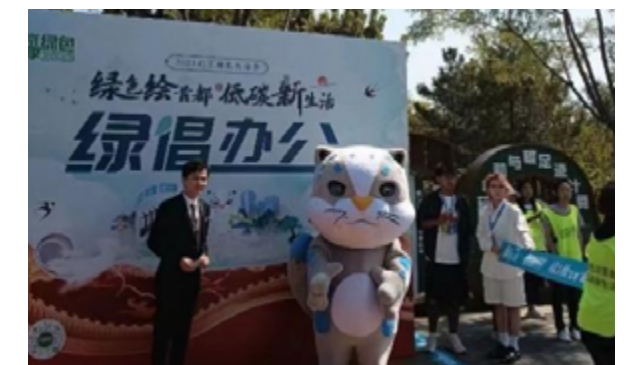
Case

Pacific Coffee (Beijing) participates in the "2023 Beijing Green Life Season" to advocate green lifestyles and promote environmental protection

Pacific Coffee (Beijing) actively engaged in the "2023 Beijing Green Life Season" event organized by the Beijing Municipal Commission of Development and Reform to advocate a low-carbon, minimalist and smart lifestyle, and promote the shift towards a green lifestyle among citizens. It encouraged customers to bring their own coffee cups or reuse coffee cup sleeves to reduce the use of disposable tableware. It also promoted the recycling and repurposing of coffee grounds to make small household items such as recycled cups and saucer sets, eco-friendly thermos, and fiber shopping bags. Through these efforts, the company sought to inspire a cascade of "plastic reduction" in Beijing.



Employees from CR Enterprise engage in the International Coastal Cleanup in Hong Kong to raise awareness of ecological conservation



To promote green philosophy, CR Enterprise supports the "New Low-Carbon Life" healthy running event organized by the Beijing Municipal Commission of Development and Reform

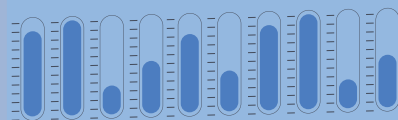
Social (S)

Realizing Harmonious Integration into Hong Kong

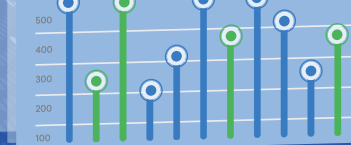
CRE Responsibility

CR Enterprise places technological innovation at the core of the Company's development. Focusing on the research and application of cutting-edge technologies, we gather impetus for sci-tech innovation and contribute to building Hong Kong into an international innovation and technology hub. We advocate mutual benefit and resource sharing within the industry to build a sustainable partnership ecosystem. Embracing a people-oriented principle, we pay attention to our customers, our employees, and people's livelihoods. Committed to the purpose of "serving the people", we make a tangible contribution to Hong Kong's society and share the fruits of development with all stakeholders.

HKD **135** million
Total tax payment



HKD **46.856** million
R&D investment



24%
Proportion of female managers



100%
Economic contract performance rate



GRI Indicators

2-7/2-30/203-1/203-2/401-2/403-3/403-5/403-6/403-9/403-10/404-1/404-2/405-1/407-1/413-1/415-1/416-1/416-2/417-1/417-2/417-3/418-1



ESG Story: Youth Inspired to Devote to Tech Innovation for Prosperity of Hong Kong

"Young people are the most vibrant and most creative group of our society, and also the main driving force for sci-tech development. Efforts should be made to pave the way for the youths, providing them with more growth space and supporting them to shine and achieve their dreams in their journey of innovation and entrepreneurship."

—Remark by President Xi Jinping during his visit to the Hong Kong Science Park



The 1st "Future Hong Kong" International Science and Innovation Education Forum & 2023 "Science and Technology Innovation Lecture" Launching Ceremony by "Science and China" academicians and experts tour group

In November 2023, the 1st "Future Hong Kong" International Science and Innovation Education Forum & 2023 "Science and Technology Innovation Lecture" Delivered by "Science and China" academicians and experts tour group kicked off successfully. The event was co-hosted by the Hong Kong STEM Education Alliance and the Greater Bay Area Association of Academicians and exclusively sponsored by CR Enterprise. Together with top-notch sci-tech educational scholars from abroad and Chinese mainland, we dived into how to innovate in talent cultivation through STEM

During this event, 12 academicians and experts, focusing on topics such as astronomy, geography, paleontology, and physics, popularized professional scientific knowledge in an engaging, dynamic and easy-to-understand manner. They also interacted amicably with Hong Kong teenagers and teachers, and shared experiences and gains in STEM education. The lectures covered 35 primary and secondary schools in Hong Kong and reached more than 63,000 Hong Kong teenagers.



education and how to contribute to the construction of building Hong Kong as an science and innovation and technology hub and the development of Greater Bay Area. Esteemed experts and academicians of the Chinese Academy of Sciences were invited to deliver popular science lectures and impart scientific knowledge in primary and secondary schools in Hong Kong. This gave Hong Kong teenagers more insights into science and technology, and inspired the next generation of scientists and innovators.

CR Enterprise has incorporated the "Science and Innovation Lecture" into the itinerant teaching services of "Creativity Initiative". Closely focusing on our sci-tech innovation business, we have launch the science popularization campaign regularly in Hong Kong to cultivate more young sci-tech talents and help build Hong Kong into an international innovation and technology hub.



Science popularization at the "Science and Innovation Lecture"

Quality Services

CR Enterprise sticks to customer first approach, pursues premium quality and efficiency, and strives to offer top-notch products and services to customers. Since we attach great importance to product quality, we abide by national laws and regulations and relevant standards, establish a full industry chain internal control quality standard system that covers all of our products, and formulate product after-sales processes, so as to continuously improve the product recall process. In addition, to safeguard customers' rights and interests and reward their trust with dedicated services, we offer proactive after-sales services, open up consumer communication channels, and put their suggestions into practice.

Premium services

In line with the customer-focused principle, we regularly conduct customer satisfaction surveys, actively respond to customer needs, and adopt customer suggestions. To bring our premium products and services to more consumers, we

continuously intensify brand image building, organize training sessions for customer service teams, comprehensively elevate our service quality and efficiency, and strengthen service quality management.

Household item industries investment business

To satisfy the consumption needs of residents in central districts and communities, CREP dispatched additional service personnel to its shopping malls and extended the opening hours of its businesses such as the restaurants and supermarkets to ensure no closure, flexible shopping hours, and convenient consumption services for customers during the Spring Festival.



CREP launches the campaign themed "Good Bless for Year of Rabbit" at Wan Tau Tong Square

Coffee business

The new brand of Pacific Coffee, Moojoo, which is a pet-friendly coffee shop and is committed to creating an inclusive consumption place for pet lovers, had its soft opening operation.



Soft opening of Moojoo, a pet-friendly coffee shop

Plant-based protein business

OATLY, partnering with Pacific Coffee, has developed 6 new plant-based health drinks and promoted the new flavors through Enterprise WeChat community, benefiting more than 20,000 consumers.

Intelligent office storage services

Equipped with professional systems, intelligent equipment, and up-to-code infrastructure, we offer professional and customized one-stop office storage solutions covering logistics, sorting, digitization, and warehousing for the documents, files, and office supplies of Hong Kong-based companies.

Intelligent logistics services for subsectors

Through intelligent means such as intelligent algorithms and smart equipment, we offer more customized basic and value-added logistics services including warehousing, transportation, and distribution for the subsectors with pronounced demands for logistics efficiency such as the growing e-commerce market and medium- and high-end consumer goods sector in Hongkong.



Case / Runkong Food establishes a global supply chain for premium durians and introduces high-quality imported goods to Chinese consumers

Runkong Food maintains stringent control over product quality. Upholding the principle of "co-creation, sharing, and all-win results", Runkong Food has established multi-mode partnerships with countries such as Thailand and the Philippines. In April 2023, it successfully introduced Thai "DONA" golden pillow durians and Philippine durian to the Guangdong-Hong Kong-Macao Greater Bay Area, and established a global supply chain for premium durian, which propelled the healthy and sustainable development of domestic and international markets.



Protection of consumer rights

In strict line with relevant laws and regulations such as China's Anti-Unfair Competition Law, we practice responsible marketing. Specifically, we disclose product information according to law, standardize sales behaviors and product labeling, prohibit false or misleading advertising, and indicate potential product risks. Additionally, we offer unblocked

channels for complaints and feedback and accept public supervision. Moreover, we respect customer privacy, attach great importance to customer information confidentiality management, and fully protect consumers' legitimate rights such as rights to information, fair trade, claims, and supervision.

Coffee business

On the official website, Pacific Coffee provides the origin of coffee beans, processing methods, and other detailed information in the product introduction, as well as the maintenance instructions for coffee machines. Besides, it has established the complaint response mechanism and feedback channels, allowing consumers to safeguard their legal rights through telephones, emails, and other means.

Storage holding and operation management business

For dry warehousing business, CR Logistics regularly sends out questionnaires to customers, keeps track of customer feedback and suggestions, takes improvement measures accordingly, and properly handles customer complaints. In 2023, 100% of the customer complaints and feedback were responded.

Strategic Cooperation

Embracing the principles of "co-creation, sharing, and all-win results co-benefits", CR Enterprise strengthens communication and exchanges with partners in various fields. We innovate in government-enterprise cooperation, comprehensively strengthen strategic cooperation between enterprises, and promote the collaborative development of industry, academia, and research. We are committed to establishing high-quality partnerships to achieve common progress.

Government-enterprise cooperation

We vigorously respond to government calls and comprehensively promote high-level government-enterprise cooperation. We continuously push the boundaries of

cooperation on core sci-tech innovation businesses, and support the deep integration of high-quality resources in the Greater Bay Area and the Yangtze Delta.

Case / CR Enterprise deepens technological cooperation with Cyberport

In January 2023, CR Enterprise signed a memorandum of co-operation with Hong Kong Cyberport Management Company Limited (hereinafter referred to as "Cyberport"). Leveraging the experience and advantages of both parties in industrial investment and operation, as well as the construction of the digital technology hub, we would carry out cooperation on the R&D of tech products and new technologies. Together, we cultivate and invest in sci-tech companies and startups in Hong Kong, nurture tech talents, and encourage and assist the young in innovation and entrepreneurship.



Case / CRRIST and Cyberport jointly promote the translation of sci-tech achievements

In December 2023, CR Enterprise signed the Joint Accelerator Program Collaboration Agreement with Cyberport. Focusing on fields such as fin-tech, smart lives, digital entertainment, network security, artificial intelligence, big data, supercomputing centers, blockchain, and Web3, we would provide all-round support for the selected incubated tech companies, including industrial resources, funds, venues, R&D Infrastructure, and professional consultation. Each project can access up to HKD 1.8 million in funds, in-kind support, and investment opportunities. Through this approach, we assist tech companies in accelerating the translation and application of sci-tech achievements.



Cooperation with other companies

CR Enterprise continuously strengthens external communication and cooperation with peers. We actively explore opportunities for business development, advocate for the rapid development of

the industry through resource sharing, and expand the ecosystem for exchanges and cooperation. We strive to set a model for enterprise-enterprise cooperation.

Case CR Enterprise and Huawei Cloud Hong Kong co-host the Intelligence and Digitalization Workshop

In September 2023, CR Enterprise and Huawei Cloud Hong Kong co-hosted the Intelligence and Digitalization Workshop, which focused on the intelligence and digitalization business as well as technological innovation of CRE's logistics and retail catering segment in Hong Kong. Through multi-form sessions, we developed a quick-win project list and medium- to long-term action plan for CRE's smart logistics and smart retail catering, which set the direction for the intelligent and digital development of the Company.



Case CR Enterprise and CMHK sign a strategic MoU to boost tech innovation

In March 2023, CR Enterprise signed a strategic Memorandum of Understanding (MoU) with China Mobile Hong Kong (CMHK). We intended to carry out research and nurture an array of industrial projects centering on key areas such as 5G, the Internet of Things (IoT), artificial intelligence (AI), cloud technology, and smart robots. We also proposed to effectuate a batch of major strategic projects related to emerging industries, including consumer goods technologies, digital application scenarios, and high-tech service sectors. Through the joint effort, we aim to develop a platform for the tech industry, appeal to partners, and jointly facilitate the intellectualization, digitization, standardization, and internationalization of related industries.



Industry-university-research cooperation

We continuously deepen enterprise-university communication. By hosting Interdisciplinary Salons, we continuously expand channels for university-enterprise exchanges. By extensively establishing platforms for industry-university-research

cooperation, we promote the translation and application of sci-tech achievements. Through these endeavors, we contribute to the technological development in Hong Kong, and invigorate innovation and industrial upgrading in China.

Case CR Enterprise and HKBU jointly establish the CR-BU Joint Innovation Centre on Smart Chinese Medicine

In December 2023, CR Enterprise and Hong Kong Baptist University (HKBU) co-hosted the signing and unveiling ceremony for the establishment of the CR-BU Joint Innovation Centre on Smart Chinese Medicine. Both sides are to cooperate in the field of smart traditional Chinese medicine (TCM). We plan to leverage the industrial and resource advantages of both parties to promote a series of innovative research and applications in chronic disease management and artificial intelligence in TCM. We are committed to building an internationally influential platform for the development of smart TCM and promoting the modernization and smart development of TCM.



Case CR Enterprise and PolyU sign a MoU to establish the CR-PolyU Joint Research Institute for Carbon Neutral New Materials

In May 2023, CR Enterprise signed the Memorandum of Understanding (MoU) and Framework Agreement with Hong Kong Polytechnic University (PolyU). We planned to jointly set up an industry-academia-research center, namely the CR-PolyU Joint Research Institute for Carbon Neutral New Materials, which would provide a framework for the R&D of carbon neutrality and sustainability-driven innovation projects. The Research Institute will carry out innovative research, nurture tech talents, and launch startup projects to promote the industrialization of the scientific outcomes in new materials.



Employee Growth

Employees are the primary productive force of a company. CR Enterprise is committed to fostering an environment where talents are spotted, appreciated, respected, and brought to the table. We fortify the protection of employee rights and interests through equal recruitment and selection processes, richer democratic communication channels, and sounder compensation and benefits management. We also offer talent training, unblock employee progression channels, and proactively promote safety culture and safety training. Moreover, we are attentive to the real challenges facing our employees and strive to elevate their well-being.

Employee Rights and Interests

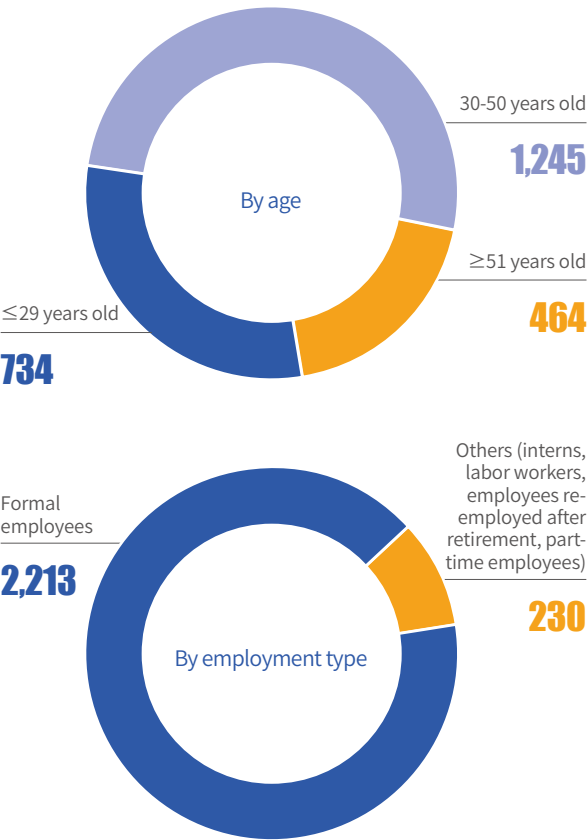
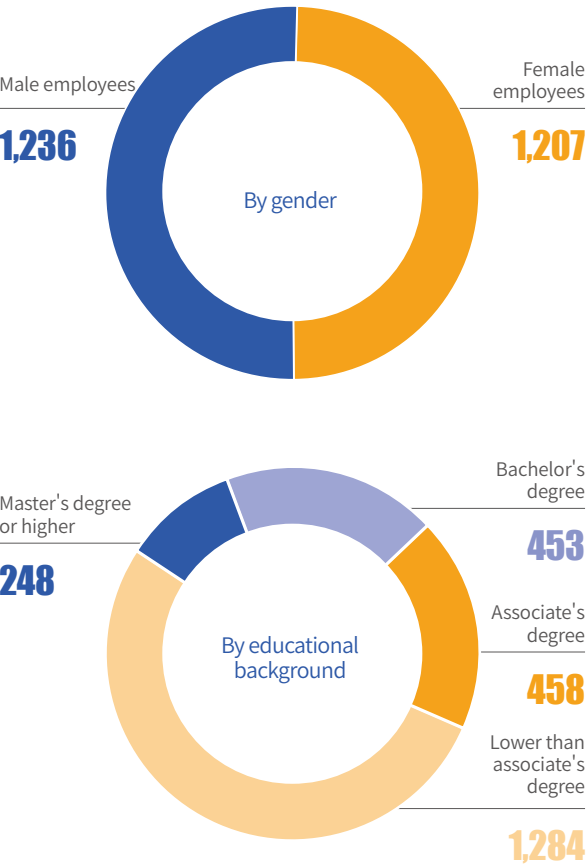
CR Enterprise rigorously complies with the Labor Law of the People's Republic of China and other relevant laws and regulations. We put in place sound communication and feedback mechanisms for all workforce and offer unblocked channels for public opinions to listen to the voices of

employees. We also optimize the compensation and benefits mechanism to provide a more robust guarantee for the basic rights and interests of employees. In 2023, CR Enterprise had 2,443 employees in total, with a labor contract signing rate of 100%.

Equal employment

Committed to creating an inclusive and harmonious workplace, we firmly oppose any unfair and discriminatory employment practices based on differences such as gender, region, nationality, educational background, and religious beliefs, and ensure a just, equal, and transparent recruitment process.

Moreover, we uphold equal pay for equal work and a law-based employment strategy that vehemently forbids any form of child labor, forced labor, and workplace harassment and maltreatment. Meanwhile, we protect our employees' privacy and personal information security.



Democratic management

Within our democratic management system, we have established a sound communication mechanism across the board through initiatives such as the Employee Association, seminars with senior managers, and various types of interviews. Additionally, we continuously optimize channels for collecting

and responding to feedback from primary-level employees and proactively listen to the opinions and suggestions of employees. Through these efforts, we strive to create a democratic, inclusive, and vibrant work environment.

Compensation and benefits

We have formulated the CR Enterprise Payroll Management Measures to establish a scientific and effective appraisal and incentive mechanism. We've paid the old-age pension, medical insurance, unemployment insurance, maternity insurance, workers' compensation, and housing provident fund for all

our employees. Also, we offer supplementary pension and commercial insurance programs for our employees, and pay Mandatory Provident Fund (MPF) for Hong Kong-based employees. Moreover, we apply for subsidies for employees to ensure their full access to the benefits.

Case

CR Enterprise reviews employee remuneration

Based on the industry's salary landscape, along with current pay level, performance, pay adjustment intervals, and other factors, CR Enterprise gave 103 employees pay adjustments upon their promotion, review or assignment to Hong Kong, and guided the profit centers in Hong Kong to complete pay adjustments for 320 primary-level employees. The Company pushed forward the income assessment and incentive mechanism, which fully incentivized and retained outstanding employees and elevated employee satisfaction and mobility.

Employee development

We radically enforce the spirit proposed at the CPC Central Committee's Talent-Related Conference and the Company's talent plan during the 14th Five-Year Plan period. We take active measures to recruit, nurture, and promote talents. We expand open recruitment channels, conduct tiered training for new hires, middle managers and senior leaders, and learning organizations, and unblock opportunities for career progression to promote the all-around development of the young.



CRE's recruitment fair

In 2023

Participants of various talent training programs

7,353

Training hours per employee

125

Training coverage among employees

100%

Employee cultivation

We vigorously implement talent training initiatives and comprehensively build the "3+1" talent teams (managers, tech specialists, skilled professionals, and local talents in Hong Kong). To continuously improve the hierarchical and graded talent training system, we have organized practical lectures focusing on "Four Reshaping" (reshaping of values, business, organizational

structure, and ethos) for the management. Targeting young outstanding managers, we have launched the CRE Elite Talent program, which was rated as an Excellent Training Program by the China Resources Group. We also promote the rotation for management trainees and the front-line training for young business backbones to accelerate their growth and success.

Case For Coffee, For the Young — a business training program of CRE Youth Talent initiative

In October 2023, CR Enterprise launched the "For Coffee, For the Young" program. The Company recruited 21 young backbones as ambassadors of the program to learn about daily store operations at designated stores. The ambassadors were also tasked with promoting the culture and values of CR Enterprise through daily store visits, creating a positive, amicable, and collaborative vibe in the stores, and making the front-line employees feel valued and cared for by CR Enterprise. Through the program, the Company continuously intensifies the front-line training for the young pillars to grow and succeed.



CR Enterprise undertook the Seminar on the Youth Development Blueprint under the Spring Sprout Plan



CR Enterprise organized the reading sharing session under Spring Sprout Plan

Career advancement

We proactively assist employees in mapping out their career paths and setting clear direction and goals for their growth within the organization to motivate career advancement.

We also offer well-defined and diversified pathways for advancement that employees can choose from tailored to their strengths and interests.

Occupational health and safety

In strict compliance with the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, we improve the EHS management

system, organize training sessions on work safety, and publicize knowledge on occupational disease prevention. Through these endeavors, we build a firm line of defense for work safety and protect the occupational health and safety of employees.

Work safety

To strengthen the closed-loop management of hidden hazards and comprehensively enhance the prevention and control of work safety risks, we have taken multiple measures. We improve the all-employee accountability system by ensuring that all have signed the *EHS Letter of Responsibility* and the "Two Checklists". We have released the CR Enterprise's Guidelines for EHS Hazard Identification and Assessment to vigorously promote the dual preventive mechanism for classified and graded management of safety risks as well as inspection and addressing of hidden hazards. We have also tightened up oversight and regulation by stakeholders and instituted the EHS management mode of "one policy for one organization" for invested companies.

In 2023, we concluded 541 EHS agreements with related parties, among which the contract signing rate of CR Logistics, Pacific Coffee (Hong Kong), and Pacific Coffee (Beijing) was 100%, effectuating full contract coverage. In 2023, CR Enterprise invested HKD 19.8 million in work safety, with no employee casualties.



Internal EHS inspection at the primary level



On-site EHS inspection for franchisees

In 2023



Safety management personnel

30



Cases of safety hazards hunted

276



Rectification rate of safety hazards

99%



Occupational health

We actively fulfill our responsibility over occupational health and safety (OHS). Through regular occupational health check-ups for employees, publicity of approaches to occupational disease prevention, safety emergency drills, mental health education and other activities, we seek to raise employees' awareness of occupational health and their emergency response capabilities in the face of emergencies.



In 2023



Safety emergency drills

973

A total of 24 employees from CRE's headquarters, profit centers and direct subsidiaries engage in first aid skills training and obtain the AHA international first aid certification after passing the assessment

Fire safety cards were made and distributed, and fire safety training and drills for key roles were carried out on Fire Prevention Month 2023



生活規律，均衡飲食，唔捱夜，唔亂食
堅持運動，強身健體，唔躺平，身材正
久坐傷身，定時活動，拉吓筋，冇炎症
唔好OT，畫定off line，疲勞戰，唔建議
覺得心劫，及時休息，有年假，記住用
三五好友，多啲見面，多分享，心情靚
定期體檢，主動預防，早發現，早康復

生命第一
健康至上

你平安
我所願



Health Tips Bookmarks are devised and distributed to remind all employees to bear in mind "Life First, Health Foremost" and to deeply integrate the concept of health care into daily life and work

Employee care

Putting people first, we continuously improve employee care and readily respond to employee demands. Through regular Labor Union activities and visits to sick and injured employees, we demonstrate genuine care for the employees with concrete actions. In addition, we care for the physical and mental health of female employees, such as, female-oriented activities are launched and female-specific diagnostic tests are offered in the annual health check-ups. Moreover, we organize a spectrum of activities including festivities, birthday parties, and team gatherings in an innovative manner to cultivate a more harmonious and cohesive team atmosphere than ever

and to actively promote work-life balance for employees.

Leveraging CR's employee care platform "CR with U", we help employees navigate work and life challenges in time and safeguard their mental health through mind hotline, health consultation, onsite counseling and psychological status assessment. In 2023, CR Logistics cultivated 1 ambassador for "CR with U" to show care for the mental health of employees through multi-form communication based on the characteristics of employees responsible for Hong Kong business.

Case

Pacific Coffee Hong Kong launches the flexi-time program "Mom Deserves More" to creatively foster an amicable workplace culture

In response to the "Future Mum-powered" career enhancement program for mothers launched by the "Share for Good" platform, Pacific Coffee Hong Kong specially developed a flexi-time program entitled "Mom Deserves More" to offer options of flexible and shorter working hours for working mothers. This program allows mothers to balance careers and families, thereby further promoting female employment equality.



CRE's EHS Department, in conjunction with the CR Enterprise Labor Union and the Run Ma CRE Branch, organizes the "Health in Spring: Toward a New Journey" spring hiking event



CR Logistics invites the intangible cultural heritage publicity team from the Chinese mainland to teach about dough figurines with hands-on instruction in Hong Kong



Regular healthy activities on Thursdays such as playing badminton

Public welfare

Undertaking the responsibility of "creating a better life together", CR Enterprise proactively implements national development strategies to facilitate the development of the Greater Bay Area (GBA). We broaden career paths and promote interaction among talent from different regions to boost GBA's economy. We also undertake socially beneficial activities, serve the community, and improve grassroots living conditions to share development achievements.

Contribution to GBA development

In full alignment with the national agenda, we thoroughly implement the strategic goal of "substantially increasing our influence in Hong Kong", and work to make a tremendous

contribution to the prosperity of the Greater Bay Area (GBA) with exceptional creativity, unraveled market penetration abilities, and a profound sense of corporate social responsibility.

Case CR Logistics acquires Kerry Warehouse (Fanling 1)

In November 2023, CR Logistics completed the acquisition of Kerry Warehouse (Fanling 1) with a floor area of 259,475 square feet. This move helps strengthen the interconnectivity and collaboration among the four warehouses of CR Logistics, thereby optimizing resource utilization and boosting operational efficiency. It not only enhances scale effects and promotes the business development of the company, but also drives the development of related logistics and supply chain industries, and provides new momentum for Hong Kong's economic growth.



Case CREP's Sugar+, a newly-minted landmark of Causeway Bay, grandly opens

On March 29, 2023, the high-end Ginza-style shopping mall Sugar+, meticulously crafted by CREP, officially commenced operations in Causeway Bay. Capitalizing on the promising commercial prospects of Hong Kong and the prime location advantages of Causeway Bay, the shopping mall further diversifies the area's retail options, cultural experiences, and artistic life. Together with the mall's tenants, partners, and the Hong Kong community, it strives for mutual development and a bright future.



Together for a harmonious community

Focusing on social concerns and citizens' needs, we actively organize and engage in a variety of community activities. We insist on local recruitment, attach importance to local talent pool building, and seek to share the fruits of development with

local talents and communities. In 2023, CR Enterprise recruited more than 700 local staff in Hong Kong, with local employees representing over 70% of its total workforce in Hong Kong.

Case CREP hosts City Hunt@Tai Po

On July 15, 2023, the urban orienteering challenge event "City Hunt@Tai Po", hosted by CREP, took place in the Tai Po District of Hong Kong. The event attracted more than 350 participants from Hong Kong. CREP continues to leverage its strengths in the livelihood services and professional services sectors to reinforce interaction with communities, serve the well-being of residents, and foster societal harmony in Hong Kong.



Case CR Enterprise supports the Strive and Rise Programme on the CR Open Day

In June 2023, CR Enterprise invited volunteer mentors and mentees from the Strive and Rise Programme to engage in the CR Open Day campaign. The volunteer mentors and mentees visited Chinese Arts & Crafts, China Resources International Logistics Center, and China Resources Research Institute of Science and Technology. Through on-site visits to CR's diversified businesses in Hong Kong, the young from Hong Kong not only knew more about CR, but also broadened their horizons, learned about industry operations, and explored future career paths.



Engagement in Charitable cause

We have always guided our employees to promote the ethos of dedication, fraternity, and mutual aid, and encouraged our employees to actively engage in various forms of charitable activities with Hong Kong characteristics. By giving back to society, we demonstrate our responsibility as a state-owned enterprise based in Hong Kong.

In 2023



Donations for charity and paired assistance

HKD **290,000**

Case CR Enterprise carries out multiple volunteer activities

In 2023, members of the "CREP Volunteer Team" actively engaged in a variety of volunteer activities such as environmental protection, support for the elderly and disabled, community services, and donations for education. Throughout the year, six large-scale special volunteer training sessions were conducted, with more than 1,170 volunteers mobilized who contributing to over 5,000 hours of service. The Company is deeply dedicated to the community welfare in Hong Kong and conveying its care for society.



Case CR Enterprise engages in the "West Kowloon CHILL RUN Winter Market Anti-Scam Charity Run 2023"

On December 17, 2023, CR Enterprise mobilized over 70 employees and their family members through the Employee Association to engage in the "West Kowloon CHILL RUN Winter Market Anti-Scam Charity Run 2023" held at the West Kowloon Cultural District Art Park in Hong Kong. The Company supported the Hong Kong Police Force's "anti-scam work" with real actions and promoted the highlights of "Guard The City" anti-scam publicity activities to Hong Kong citizens. The Company also made donations to charitable organizations and won the "Anti-Scam Supportive Organization Award" from the organizer.



Elderly care

CR Verlinvest, a subsidiary of CR Enterprise, has innovatively proposed the strategic goal for high-quality development — "Platform Integration: One-In-a-Hundred and Consistent Elderly Care Services". Together with five platform companies and 46 institutions under its umbrella, it has continuously organized a spectrum of activities to show respect and care for the elderly, and orchestrated the "Sailing Program" for the nursing home owners of CR Verlinvest. Through these endeavors, it sought to offer homelike experience to the elderly and ensure a warm and fulfilling life in one's golden years.



Training session of CR Verlinvest's "Sailing Program"



Born Nursing Home engages in CR Verlinvest's "Sailing Program"

In 2023



Cities covered

15



Elderly nursing homes in operation

44



Approx **9,000**

Beds offered



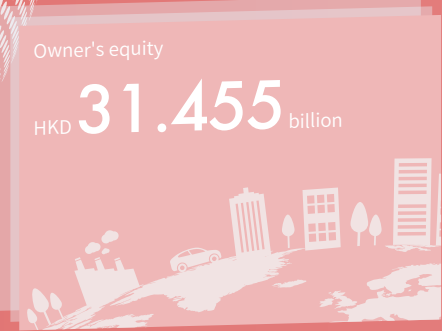
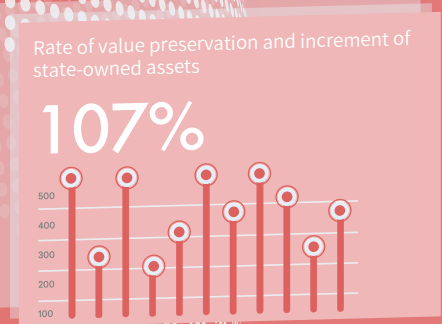
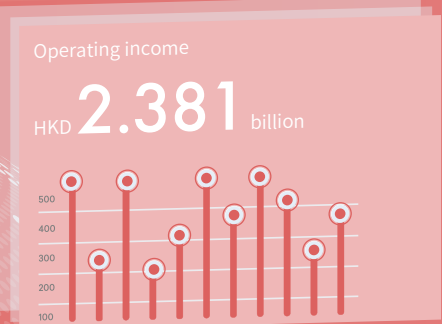
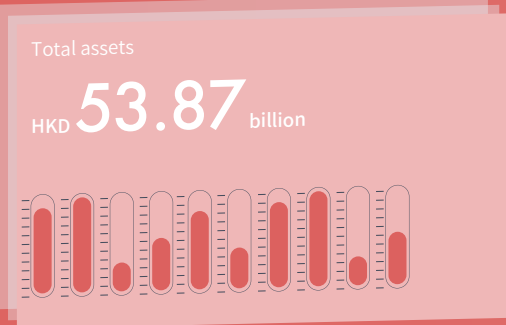


Governance (G)

Shaping a Better Future Together with Hong Kong

CRE Responsibility

CR Enterprise is continuously enhancing its institutional system, steadfastly upholding business ethics, and ensuring lawful and compliant operations and governance. Meanwhile, the Company strengthens audit-based supervision and internal control, engages in sustainable procurement practices, and effectively manages various operational risks. By integrating the principles of sustainable development into corporate governance, we actively fulfill our corporate social responsibilities, focus on creating comprehensive value, and courageously embrace the responsibilities of a central state-owned enterprise.



GRI指標：
2-6/2-8/2-9/2-10/2-11/2-12/2-13/2-14/2-15/2-16/2-17/2-18/2-19/2-20/2-21/2-22/2-23/2-24/2-25/2-26/2-27/2-29/3-1/3-2/3-3/204-1/205-1/205-2/205-3/308-1/308-2/414-1/414-2



ESG Story: Setting an Example for Sustainable Development Based on Determined Endeavor

In 2023, CR Enterprise resolutely implemented national strategies, focused on technological innovation and actively developed strategic emerging industries. We established the China Resources Research Institute of Science and Technology (CRRIST) in Hong Kong and collaborated extensively with renowned universities, research institutions, and R&D enterprises to foster innovation and technology. These efforts support Hong Kong's development as an international innovation and technology (I&T) hub. We also continued our deep commitment to assisting Hong Kong youth in employment, entrepreneurship, and education, polishing the "Three Initiatives" social responsibility brand project. We worked to support the growth and development of young people in Hong Kong, and enhance social welfare and well-being. Thanks to our outstanding contributions and achievements, the Company received multiple ESG awards.



Making our debut on the "Hong Kong International ESG List," co-released by the Hong Kong Ta Kung Wen Wei Media Group, China Certification & Inspection Group, HKU Institute for China Business, and the HSBC Financial Research Institute at Peking University, CR Enterprise was awarded the "Best ESG Pioneer Award", recognizing and commending the Company's outstanding performance in environmental, social, and governance areas over the past year.



CR Enterprise was awarded the "Best ESG Reporting Award" by the Environmental, Social, and Governance (ESG) Awards released by Television Broadcasts Limited (TVB). This recognition affirms the Company's outstanding performance in ESG and sustainable development, the CSR effectiveness, and the materiality and completeness of information disclosure.



The Company was awarded with the Greater Bay Area ESG Sustainable Development Enterprises Award of "100%HK Branding Award 2023" released by the Greater-China Association of Branding Industry, as well as the Chairman's Pick of Excellence Award in the category of Outstanding Performance for Net Zero of the Greater Bay Area 2023 Real Estate - Environment, Social, and Governance Grand Prize presented by China Real Estate Chamber of Commerce Hong Kong and International Chapter Limited, acknowledging the outstanding contributions of Greater Bay Area enterprises to environmental, social, and governance initiatives.

Corporate Governance

CR Enterprise consistently implements national reform requirements, continuously improving its governance mechanisms and strengthening its governance foundation. This approach effectively enhances the level of corporate governance, and fosters harmonious and stable investor relations. We also deliver the sustainable investment principles to ensure the Company's smooth and healthy development.

Sounder governance system

In line with local relevant laws and regulations, as well as the articles of association of the Company, we have formed a scientific and effective decision-making system, vigorously enhanced the standardization, and effectiveness of corporate governance, and given full play to our rich experience in operating a listed company. Built on them, we are committed to establishing a corporate governance system that aligns with the international image of the Company.

We have established decision-making bodies such as the Board of Directors and the management, along with comprehensive functional departments. In the governance process of the Board of Directors, we balance domestic and international regulatory requirements, consider the characteristics of holding and shareholding enterprises, and continuously refine the modern corporate governance system. This effort aims to build a coordinated and mutually balanced corporate governance structure.

Improving management system

- We have completed the formulation or revision of a series of governance systems, including the *Working Rules for Remuneration and Assessment Committee of the Board of Directors*, the *Board of Directors Evaluation Methods*, the "Three Major and One Large" *Decision-Making Policy*, and the *CR Enterprise Overseas Investment Management Measures*, further improving our corporate governance framework.

Promoting efficient performance of duties

- We have participated in the mid-term strategic review action learning and research meetings for the 14th Five-Year Plan period, as well as the science and technology innovation work planning meetings. The Board of Directors engaged in discussions and exchanged views, aligning the Company's strategic development path with specific initiatives. These efforts have guided the completion of the mid-term review of plan set for the 14th Five-Year Plan period and the formulation of the 2024 business plan.
- We have held pre-communication meetings to discuss and inquire about major proposals such as significant investments and asset disposals. During these meetings, we have provided over a hundred opinions and viewpoints, enhancing guidance on post-investment project management and promoting the improvement of investment quality.
- We conducted on-site visits to the OATLY factory in Singapore, city'super in Hong Kong, Beijing Huafang Old-Age-Care Investment Co., Ltd., and Shenzhou Space Biotechnology. These visits, focusing on Board decision-making matters and the key concerns of directors, included 12 research activities covering 24 subsidiaries.
- We have promoted the development of the Boards of Directors in key subsidiaries by appointing external directors. Additionally, we have organized director training sessions themed "Empowering Internal Controls" to ensure directors effectively fulfill their duties and responsibilities.

IR management

We strictly adhere to relevant laws, regulations, and regulatory provisions, placing high importance on safeguarding the legitimate rights of small and medium-sized investors to be informed, participate, and supervise. Through various channels, we strengthen communication and interaction with investors, updating them with the latest developments on platforms such

as the Company's official website and official WeChat account. We disclose information in a prompt, accurate, and effective manner to enhance transparency. Additionally, we regularly release reports showcasing the Company's operational performance and the CSR effectiveness to boost investor confidence.

Sustainable investment

We integrate the philosophy of sustainable development into our investment process, actively respond to national strategies, and leverage Hong Kong's geographical advantages and our own core competitiveness. Based on the business plan of "321 Business + new livelihood business in Hong Kong + Strategic Emerging and Future Industries," we develop future industries and plan investment directions. We conduct preliminary

research and strategic deployment on strategic emerging industries that align with the principles of "national needs, Hong Kong's advantages, and CR's strengths." Furthermore, we promote the sustainable development of invested companies, contributing our strength to promoting social progress and enhancing the quality of life for the people.

Case

OATLY actively promoted energy conservation and carbon reduction

In 2023, Oatly continued making progress in decreasing our overall corporate climate footprint in multiple aspects such as ingredients, transportation, energy consumption, and packaging material, etc. The corporate climate footprint decreased to 0.482 kg CO2e/L in 2023, which is approximately 17 percent decrease compared with 2022. The biggest success of the year concerned one area of the transportation arrangements. the capacity utilization rate at Ma'anshann factory was greatly improved, which effectively guaranteed the localized production. As a result, the transportation of final products via ocean freight to Asia from Oatly factories in Europe dropped by approximately 97 percent. In addition, Oatly's hybrid partner finished construction at the Millville factory, reducing the transportation of bulk oat base by truck in North America. The two strategic actions, combined with efforts across the globe to optimize Oatly's distribution network, reduced the carton footprint per liter from transportation approximately 30 percent compared with 2022.

Case

Shenzhou Space Biotechnology Group facilitates the translation and implementation of research projects in Hong Kong

The invested company, Shenzhou Space Biotechnology Group (SBG), is a high-tech enterprise specializing in the space biology industry. Leveraging our resources in Hong Kong, SBG plans to carry out a series of space flight and space biology experimental services. It has explored cooperation with the School of Life Sciences of the Chinese University of Hong Kong to advance space carrying of the soybean seeds. In addition, it has collaborated with the City University of Hong Kong to advance biomedical engineering projects and continued to carry out cooperation in polypeptide information storage with the Hong Kong Polytechnic University. The goal is to enable more Hong Kong-based research projects to utilize resources from the China's Space Station or other aerospace technology resources for exploration and implementation, thus achieving industrial transformation.

Case

OATLY collaborates with industrial partners to practice green and sustainable principles

OATLY, the invested company of CR Enterprise, is a leading global brand in oat-based plant products. In 2023, OATLY continued to shape its sustainability leadership. The President of the Greater China Region of OATLY successfully was elected as the new Chairman of the Coffee and Tea Beverage Industry Committee of the World Federation Chinese Catering Industry. The company officially joined the China ESG Alliance, and actively participated in the Sustainable Development Forum of the SingCham Sustainability Forum, fully leveraging its corporate influence to promote collaboration among various stakeholders, lead green consumption, and drive the industry's path towards green and sustainable development.

Integrity and Compliance

Integrity and compliance are a cornerstone for high-quality corporate development. CR Enterprise is committed to building an integrated risk control system that encompasses compliance, risk management, internal controls, and supervision. We adhere to the red line of compliant operations, continuously strengthen risk management and prevention capabilities, enhance the quality and effectiveness of internal control work, and promote responsible supply chains. We also advocate for integrity and foster a clean and upright atmosphere.

Compliance operations

Adhering to legal governance and ensure compliance in our operations, we continuously advance our compliance management system, conducting an effectiveness assessment of our compliance management system in 2023. By refining

our compliance management policies, we effectively reduce operational risks, ensuring the Company's steady and sustainable development.

Institutional development

- We have revised and issued the *CR Enterprise Compliance Management System*.
- We focus on key business areas, job categories, and control processes, and develop "Risk Identification Checklists," "Job Responsibility Checklists," and "Process Control Checklists" for overseas bidding and procurement, investment, mergers & acquisitions, and information security fields.

Specialized investigation and rectification

- We have conducted a special compliance review of risks and violations related to the Company's overseas operations for the years 2022 and 2023, identifying 12 risks and issues.
- By rigorously rectifying these compliance problems, we recovered or avoided losses of approximately RMB 2.6 million, held six individuals accountable, improved four institutional regulations, and optimized three management processes.

Anti-unfair competition

- We have actively implemented the requirements of the *Anti-Unfair Competition Law*, the *Anti-Monopoly Law*, and relevant business norms to uphold fair competition in the market.
- Based on the requirements of the *Anti-Monopoly Law*, we have organized management teams to carry out legal studies on the collective declaration, providing explanations on relevant foundational knowledge, sharing typical cases, and offering compliance advice to enhance the legal awareness of management teams.

Protecting intellectual property rights

- Adhering strictly to the requirements of laws and regulations such as the *Trademark Law* and the *Patent Law*, we centrally manage trademarks for each profit center. This approach safeguards our intellectual property rights(IPRs) from infringement while preventing any violations of IPRs.

Internal control management

We thoroughly implement the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)'s *Notice on Enhancing the Development and Supervision of the Internal Control System of Central State-Owned Enterprises in 2023*. Our

efforts focus on improving internal control management in areas such as organizational leadership, system development, special rectifications, risk prevention and control, overseas management, and internal control supervision and evaluation.

Improving the systems and mechanisms

- The Board of Directors has established an Audit and Risk Committee, tasked with reviewing our 2022 annual internal control system work report, *CR Enterprise Major Operational Risk Classification Monitoring and Event Reporting Management Measures*, *CR Enterprise Compliance Management System*, and other related documents. Additionally, the committee listens to reports on internal control and major risk management work, such as *Strengthening Internal Control*, *Preventing Risks*, and *Promoting Compliance*.
- We have further clarified the division of responsibilities within the Board of Directors regarding internal control management, establishing a mechanism where the Board oversees and evaluates the effective operation of the Company's risk management and internal control systems, as well as the formulation and implementation of relevant regulations pertaining to significant internal control matters.

Strengthening overseas risk management

- For overseas investment projects, we establish a comprehensive risk management system by assessing macroeconomic risks, industry risks, and operational risks throughout the entire investment process.
- We strengthen risk management for overseas operations by conducting audits of our overseas businesses. Additionally, we follow up on the post-investment management of key invested companies through the organization of an equity management committee.
- We enhance risk management for employees in key overseas positions.

Carrying out internal control supervision and evaluation

- We initiate a three-year comprehensive internal control supervision and evaluation project within the Company, advancing the formulation of the internal control evaluation and supervision plan. In addition, we develop the *CR Enterprise Internal Control System Supervision and Evaluation Work Plan 2023-2025*, clearly defining key tasks, measures, and timelines.
- In 2023, the supervision and evaluation units identified 129 general internal control deficiencies, of which 108 were rectified within the year. Additionally, 79 institutional processes were improved, resulting in recovered losses amounting to RMB 356,800, and two instances of disciplinary violations were held accountable.

Continuously improving the internal control system

- We have conducted various types of audits, including economic responsibility audits, internal control audits, and special audits. These efforts focused on continuous audit supervision of key risk areas and critical business processes such as significant decision-making matters, expense reimbursements, large fund utilization, major procurement, business operations, and asset disposals.
- We have revised and improved the audit rectification system and framework, strengthening the tracking mechanism for rectification. We have urged audited units to address audit findings by enhancing internal control processes and procedures, strengthening internal management, and improving employee compliance awareness. Timely rectification measures are formulated to effectively promote the systematic and long-term rectification of various audit issues, while comprehensively expanding the application of audit outcomes.
- We have initiated a special action plan for financial internal control and compliance risk management, further enhancing our financial internal control system. We have introduced three new policies, revised 31 existing ones, and abolished 23 obsolete regulations. We have driven comprehensive reviews and rectifications of financial internal control deficiencies, updated the Company's financial internal control manual, and encouraged profit centers to develop their own financial internal control manual.

Implementing comprehensive risk management

- In accordance with the Company's strategic positioning, we have conducted risk inventory, preliminary screening, and risk assessment processes to identify ten significant risks for the year 2023. Subsequently, we have developed risk response measures and monitoring indicators to address these risks effectively.
- We have revised and released the *CR Enterprise Major Business Risk Classification Monitoring and Incident Reporting Management Measures*, clearly defining the responsibility units for major risk management. We have established a robust quarterly monitoring and reporting mechanism for major risks, closely tracking changes in major risk situations. We summarize and analyze the implementation of various major risk response measures and the handling of significant risk events on a quarterly basis.

Business ethics

We strictly uphold business ethics, eliminating corruption, embezzlement, bribery, and fraud. We place great importance on anti-corruption efforts, publicly displaying reporting channels on our Company website and employing multiple

measures to enhance supervision and governance effectiveness in Hong Kong. We comprehensively advance the "Three No Corruptions" system and mechanism, ensuring that the "flower of integrity" blooms brightly in Hong Kong.



Increasing the deterrent effect of "not daring to corrupt"

We have addressed 18 complaint issues and penalized 11 individuals, rigorously investigating and handling typical cases of exploiting the Company, such as fraudulent claims of team-building expenses and negligent dereliction of duty that harmed the Company's interests.

We have conducted two warning education conferences, reaching 510 managers and key position employees.

We have organized over 30 Hong Kong-based employees to visit the integrity education bases in Shenzhen for a simulated detention center experience to enhance their awareness of integrity and self-discipline.



Enhancing the binding force of preventing corruption

We have promoted the development of 26 integrity risk prevention and control guidance manuals by profit centers and directly managed units, with a focus on preventing corruption risks abroad.

In line with Hong Kong's legal environment, we have developed the *CR Enterprise overseas supervision work guidelines* to refine the workflows of oversight personnel and explore localized practices for overseas supervision methods.



Highlighting the moral defenses against corruption

In collaboration with the Hong Kong Independent Commission Against Corruption and the Police Force, we implement a "One Enterprise, One Policy" customized approach, organizing six anti-corruption seminars and other activities to promote integrity in a manner that resonates with Hong Kong employees.

We organize the 2023 Science and Technology Innovation Fault-Tolerance and Promotion Conference to help innovative talents accurately understand the core principles of the "Three Distinctions" for fault tolerance and error correction, including specific situations, applicable scope, and operational procedures, to clarify baseline requirements.

We continuously promote the brand "Integrity Nourishes My Heart," organize employees to watch the original documentary *Improving Conduct, Enforcing Discipline and Upholding Integrity and Compliance*, thereby fostering and deepening a culture of integrity.



Organizing employees in Hong Kong to Shenzhen for an integrity-themed Day event



Hosting the 2023 Hong Kong Warning Education Workshop and Crime Prevention Seminar by the Hong Kong Police Force



Organizing the 2023 Science and Technology Innovation Fault-Tolerance and Promotion Conference

Responsible supply chains

We continuously refine our procurement management system and enhance the supplier management framework. Throughout the entire procurement process, we advocate for transparency, fairness, and justice, requiring suppliers to sign and adhere to the *Sunshine Declaration* to establish an incorruptible supply

chain. We promote local procurement in Hong Kong, encourage suppliers to fulfill their social responsibilities, implement green procurement practices, and work together with our supplier partners for a win-win outcome.

Supplier management and cooperation

We rigorously adhere to the *Supplier Management Guidelines*, implementing a comprehensive and dynamic evaluation process throughout the supplier lifecycle. This ensures fairness and equity in management practices, protects the legal rights of suppliers, and promotes the sustainable supply chain.

Embracing a philosophy of mutual growth, we leverage the resource advantages of both parties and extend management practices across the supply chain to facilitate the collaborative sharing of new technologies and processes, thereby achieving mutual benefits.



We leverage the procurement information system to achieve full electronic processing of procurement activities, ensuring legal compliance. In 2023, the electronic procurement rate reached over 80%, continuously improving procurement efficiency and refining the procurement process.

Responsible procurement

We actively practice green procurement and build a green supply chain. Specifically, we strictly manage suppliers' social responsibilities, and conduct supplier audits to prevent any

We incorporate the *Sunshine Declaration* into procurement documents to establish a platform for fair competition, combat commercial fraud, and foster an atmosphere of integrity and trust in business operations.

violations of human rights, child labor, and other unethical practices. Additionally, we have established a supplier exit mechanism to promote the sustainable supply chain.



CSR Management

CR Enterprise integrates sustainability management into its daily operations and production management. We place high importance on the significant role of the Board of Directors in sustainability management. Furthermore, we promote materiality analysis and information disclosure, and engage in extensive stakeholder communication activities to convey the principles of sustainable development.

CSR strategy

We uphold the CSR mission of "leading business progress and creating a better life together with consumers, shareholders, employees, and business partners." Committed to the core values of "honesty and integrity, performance orientation, people first, and innovative development," we fulfill our social responsibilities in an organizational atmosphere characterized by sincerity, unity, openness, and enterprise. While striving for

economic benefits, we also prioritize environmental and social benefits, actively responding to the expectations of stakeholders such as shareholders, employees, customers, the environment, partners, and the public. We work to realize the vision of "becoming a global leading industrial investment company to serve people's livelihood in Hong Kong and connect the world through innovation."

CRE CSR Model



CSR organizations

We follow and implement the *China Resources Group CSR Management Measures*, continuously improving our CSR management system. Based on our actual operational circumstances, we conduct CSR management and practice

and have established a three-tiered management structure of decision makers, managers, and executors. With clear responsibilities at all levels, the efficient management organizational structure and governance system ensures our effective CSR management.

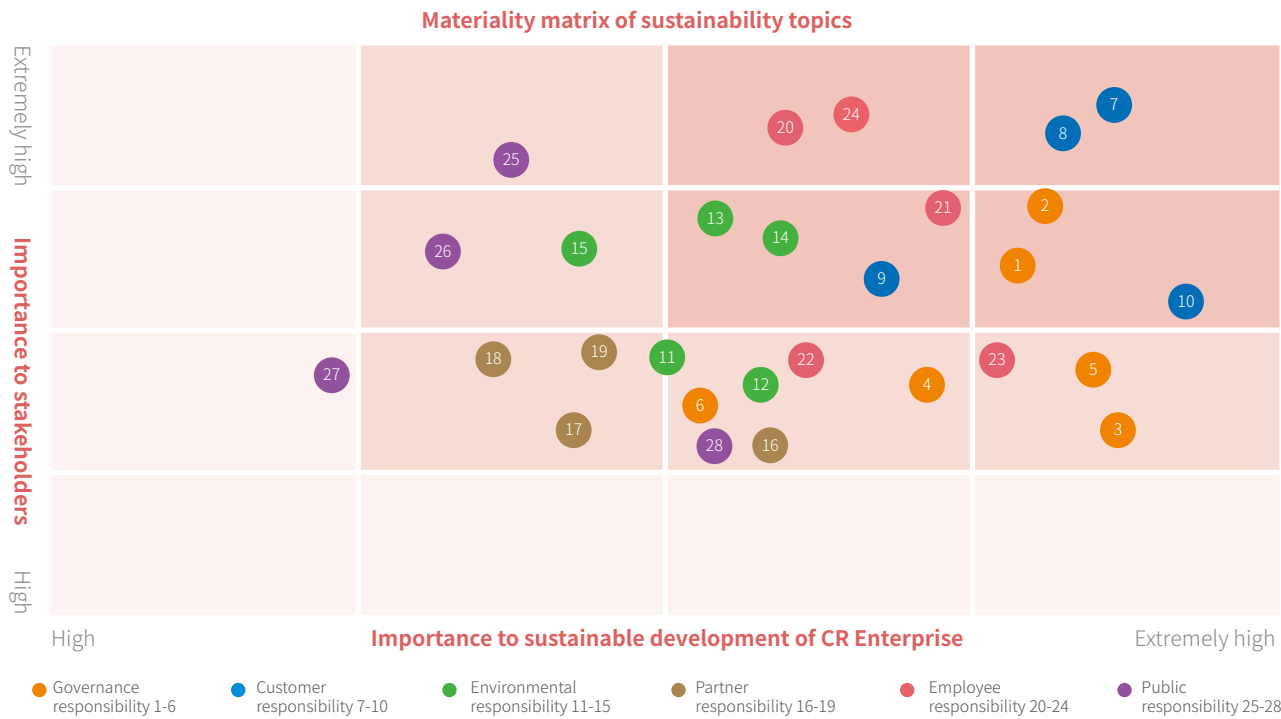
Organization system of CRE social responsibility management



Topic analysis

CR Enterprise regularly analyzes material topics every year. We get to know what sustainability topics are most concerned by internal and external stakeholders through proposals and selection of key topics, and disclose them as the focus of our sustainability reports and future communication, following by a timely and effective feedback. In 2023, we released and

collected the *Questionnaire on Material Sustainability Topics of CR Enterprise* via an online platform. We then drew a two-dimensional materiality matrix from "significance to corporate development" and "significance to stakeholders" to guide the Company to carry out targeted social responsibility efforts and respond to stakeholders' expectations.



GRI Material Topic	Our Focus
Economic Performance	2.Improving quality and efficiency 6.Protecting intellectual property
Indirect Economic Impacts	5.Improving information disclosure 7.Sci-tech innovation and R&D 10.Responsible investment and industry incubation 17.Deepening strategic cooperation on technological innovation 18.Pursuing cross-industry innovation collaboration
Procurement Practices	16.Promoting social responsibility fulfillment along supply chains
Anti-corruption	1.Integrity and compliance management 3.Strengthening risk prevention and control
Anti-competitive Behavior	4.Protecting investors' rights and interests
Energy	11.Addressing climate change 13.Spreading environmental protection concepts 14.Implementing green and low-carbon development 15.Strengthening ecology conservation
Emissions	12.Improving environmental management
Supplier Environmental Assessment	16.Promoting social responsibility fulfillment along supply chains
Employment	21.Strengthening the protection of employee rights and interests

GRI Material Topic	Our Focus
Occupational Health and Safety	24.Guarding occupational health
Training and Educations	22.Valuing employee growth
Diversity and Equal Opportunity	20.Diversity and equal opportunity
Freedom of Association and Collective Bargaining	23.Employee wellbeing and care
Child Labor	21.Strengthening the protection of employee rights and interests
Forced or Compulsory Labor	21.Strengthening the protection of employee rights and interests
Local Communities	19.Conducting media communication 25.Serving Hong Kong's prosperity 26.Community education and cultural building 27.Job creation and skill improvement 28.Engaging in charity cause
Supplier Social Assessment	16.Promoting social responsibility fulfillment along supply chains
Customer Health and Safety	9.Protecting the rights of customers
Marketing and Labeling	8.Providing quality product and service
Customer Privacy	9.Protecting the rights of customers

Responsible Communication

CR Enterprise communicates with stakeholders by timely updating CSR information on the website, official WeChat platform, and media websites. We also ask profit centers to release sustainability reports, disclosing our CSR performance

and management. At the same time, we engage in industry forums and conferences, roll out open day activities, and diversify ways of involvement for stakeholders to better convey our CSR philosophy.

Stakeholders	Appeals & Expectations	Communication Mechanism & Methods	Response Measures
 Government	Value preservation and appreciation of state-owned assets Standardized operation according to law Safety & environmental protection Promoting local economic development	Work report Information submission Research and interview Statistical report	Complying with laws and regulations Compliance operation Pay taxes according to law Strengthen accident emergency management
 Stakeholders	Return on investment Risk control Understanding the Company's operation	Performance report, annual meeting of shareholders One-to-one meeting, luncheon meeting, teleconference Visiting business channels	Maintaining the ideal dividend level Keeping a sound financial level Improving risk control management
 Employees	Compensation and benefits guarantee Employee development Occupational health and safety Employee care Democratic management	Regular meetings Exchange activities and training Daily communication Corporate employee groups CRE WeChat official account	Reasonable compensation and benefits system Providing employee training Unblocked career development channels Ensuring work safety Care for special employees Employee seminars and worker's congress
 Customers	Food quality and safety Quality product service Customer rights protection Promoting product accessibility	CRE WeChat official account CRE official website Exchange activities & visits Product promotion activities	Food quality and security management Transformation of product services and innovative upgrading Expanding business channels Improving customer's service system
 Partners	Transparent procurement Strategic cooperation Fair competition	Working meeting Agreement and contract Daily communication	Implementing responsible procurement Forbidding commercial bribery Maintaining industry order Strengthening strategic cooperation
 Environment	Protecting ecological environment Energy conservation & emission reduction	Exchanges activities Policy publicity	Carrying out environmental activities Promoting energy saving & consumption reduction Persisting green development
 The Public	Maintaining public relations Engaging in charity Contributing to rural vitalization Supporting community development	Conducting voluntary activities Implementing rural vitalization Organizing Open Day campaign	Developing social welfare brand program Establishing a community communication mechanism

Outlook

2024 will be the most pivotal year for CR Enterprise to facilitate the implementation of the "14th Five-Year Plan" strategy. CR Enterprise will continue to place technological innovation at the core of the Company's development. Steadfastly pursuing development driven by new quality productive forces in the ever-changing world, we strive to shape a new CR Enterprise that is ever-developing, formidable, and undefeatable powered with innovation. With new responsibilities and actions, we endeavor to break new ground in our high-quality development to secure our "14th Five-Year Plan" strategic goals and contribute to Hong Kong's role as a vanguard in developing new and quality productive forces.

Economic responsibility

We will continue to enhance reform and innovation as well as risk prevention and compliance management to ensure transparency and fairness in business activities and unleash the power of governance. We will also accelerate innovation and scramble to tap into strategic emerging industries to facilitate the incubation of emerging industries. What's more, we will improve sustainability management to deeply integrate sustainability concepts into our development strategies and business operations.

Environmental responsibility

We will uphold green and low-carbon development to lessen the adverse impact of corporate operations on the natural environment. We will formulate and implement carbon-peaking action plans with effective measures to address climate change. We will promote clean operations to boost energy efficiency. We also implement a green office and host environmental public welfare activities to integrate environmental awareness into corporate culture and values.

Customer responsibility

We will continuously elevate the quality of our products and services, and fully protect the rights and interests of customers. Deeply diving into the smart logistics sector, we will serve customers with a "craftsmanship spirit" and optimize customer experience. Moreover, we will promote technological innovation and digital transformation to gather new momentum and impetus for innovation-driven high-quality development.

Partner responsibility

We will expand our outreach on I&T cooperation and gradually extend our influence in Hong Kong and our I&T network by integrating scientific research resources and enhancing industry-academia-research collaboration on innovation. Meanwhile, we will practice green procurement and improve the supplier management system to build a green supply chain. Furthermore, we will intensify branding and publicity around our technological innovation and ESG practices to gradually establish a good innovative brand image.

Employee responsibility

Embracing people-oriented management, we will continue to offer a fair and lawful working environment, and improve our compensation and benefit system to protect the rights and interests of employees. We will also establish a diversified training system to provide career advancement opportunities for employees. What's more, we will reinforce the safety culture to ensure the occupational health and safety of employees. Moreover, we will focus on employee welfare to boost employee satisfaction and well-being.

Public responsibility

We will continue to proactively fulfill our corporate social responsibilities. Focusing on the three pillars of "education, employment, and entrepreneurship", we will continuously promote the "Three Initiatives" (i.e. Creativity Initiative, Dream Initiative, and Qing Yun Qi Meng Youth Enlightenment Initiative), and develop more quality projects to boost our clout in Hong Kong. Moreover, we will vigorously organize and engage in diverse community and charity activities to help foster a caring and supportive society.

Appendix

Policies

ESG Indicator	Policies	Laws and Regulations
A. Environmental		
A1: Emissions	CR Enterprise Position EHS Accountability System	Environmental Protection Law of the PRC
	CR Enterprise Emergency Management Measures for EHS Accidents	Law of the PRC on Environmental Impact Appraisal
A2: Use of Resources	CR Enterprise Comprehensive Emergency Plan for EHS Accidents	Atmospheric Pollution Prevention and Control Law of the PRC
	CR Enterprise EHS Reward and Accountability System	Water Pollution Prevention and Control Law of the PRC
A3: The Environment and Natural Resources	CR Enterprise Action Plan for Carbon Dioxide Peaking	Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes
	CR Enterprise Management Measures for Byproducts and Waste Materials	Outline of Nature Conservation of the PRC
A4: Climate Change		Energy Conservation Law of the PRC
		Action Plan for Carbon Dioxide Peaking Before 2030
		Working Guidance for Promoting High Development of State-owned Enterprises to Carbon Dioxide Peaking and Carbon Neutrality
B. Social		
Employment and labor practice		
B1: Employment	CR Enterprise Regulations on Recruitment Management	Labor Law of the PRC
		Company Law of the PRC
		Labor Contract Law of the PRC
		Employment Promotion Law of the PRC
		Social Insurance Law of the PRC
		Law on the Protection of the Rights and Interests of Women
		Minimum Wage Regulations
		Provisions on Prohibiting the Use of Child Labor
B2: Health and Safety	CR Enterprise Occupational Health Management Measures	Labor Law of the PRC
	CR Enterprise Guidelines for the Management of Personal Labor Protection Products	Law of the PRC on the Prevention and Control of Occupational Diseases
	CR Enterprise Special Emergency Plan for Public Health Emergencies	Production Safety Law of the PRC
	CR Enterprise Comprehensive Emergency Plan for EHS Accidents	Fire Prevention Law of the PRC
	CR Enterprise Emergency Management Measures for EHS Accidents	Emergency Response Law of the PRC
	CR Enterprise Implementation Plan for the Three-Year Action on Production Safety Special Rectification	Regulations on the Reporting, Investigation and Handling of Production Safety Accidents
		Interim Provisions on the Investigation and Treatment of Hidden Dangers of Production Safety Accidents
		Regulation of the PRC on Work-Related Injury Insurance
		Provisions on the Supervision and Administration of Occupational Health at Work Sites
		Classification and Catalogue of Occupational Diseases

ESG Indicator	Policies	Laws and Regulations
B. Social		
Employment and labor practice		
B3: Development and Training	CR Enterprise Management Measures for Employee Education and Training CR Enterprise Implementation Standards for Trainee Management CR Enterprise Regulations on Internal Lecturers Management	
B4: Labour Standards	CR Enterprise Regulations on Recruitment Management	Labor Law of the PRC Law of the PRC on the Protection of Minors Provisions on Prohibiting the Use of Child Labor
Operation management		
B5: Supply Chain Management	CR Enterprise Procurement Management System CR Enterprise Implementation Measures for Procurement Committee Operation CR Enterprise Supplier Management Measures CR Enterprise Centralized Procurement Management Measures	Tendering and Bidding Law of the PRC Government Procurement Law of the PRC Regulation on the Implementation of the Bidding Law of the PRC
B6: Product Responsibility	CR Enterprise Non-conforming Product Management Process CR Enterprise Management Instructions for Internal Control Quality Standards CR Enterprise Operation Instructions CR Enterprise Intellectual Property Management System	Product Quality Law of the PRC Law of the PRC on the Protection of Consumer Rights and Interests Advertisement Law of the PRC Trademark Law of the PRC Patent Law of the PRC Anti-Unfair Competition Law of the PRC Measures for the Administration of Food Production Licensing
B7: Anti-Corruption	CR Enterprise Foreign Anti-Commercial Bribery Compliance Management System CR Enterprise Guidelines for the Overall Supervision System CR Enterprise Legal Risk Management System	Criminal Law of the PRC Company Law of the PRC Anti-Money Laundering Law of the PRC Anti-Unfair Competition Law of the PRC Anti-Monopoly Law of the PRC Tendering and Bidding Law of the PRC Supervision Law of the PRC Interim Provisions on Banning Commercial Bribery
Community		
B8: Community Investment	CR Enterprise Management Measures for Charity Activities	Charity Law of the PRC

Honors

TVB ESG Awards 2023 – Best in ESG Report

CR Enterprise

Hong Kong International ESG Ranking – Best ESG Pioneer Award

CR Enterprise

100% HK Branding Award – Greater Bay Area ESG Sustainable Development Enterprise Award

CR Enterprise

2023 GoldenBee CSR Report Honor Roll – Community Information Disclosure Award

CR Enterprise

CRECCHKI Real Estate ESG Awards GBA 2023 – "Outstanding Performance – Net Zero" Best Excellent Award

CR Enterprise

Anti-Deception Coordination Center under the purview of Commercial Crime Bureau of the Hong Kong Police Force – Anti-Scam Supportive Organization Award


CR Enterprise

Hong Kong Police Force – Good Organization Award

CR Enterprise

Hong Kong Volunteer Award – 2023 Top Ten Highest Volunteer Hour (Corporate with Less Than 100 Full-Time Employees), Corporate (Volunteer Hours) Bronze Award (2000 Volunteer Hours or More)

CREP





Key Performance Indicators

Note :

1.The profit data excludes one-time asset disposals.

2.Under this indicator, the data disclosed in 2021 specifically refer to the transparent procurement ratio in that year.

3.Employee turnover rate = number of resigned employees / (number of employees at the beginning of the period + number of new re-cruits) *100%

4.Change the indicator criteria of previous years to ensure total tax amount includes both Chinese mainland and Hong Kong.

Economic Responsibility				
Indicator	Unit	2021	2022	2023
Total assets	HKD billion	47.154	51.514	53.87
Operating income	HKD billion	2.888	2.201	2.381
Recurring earnings before interest and tax ¹	HKD million	762	942	1,332
Net assets	HKD billion	29.293	29.349	31.455
Ratio of return on net assets	%	2	3.1	3.1
Ratio of return on total assets	%	2	2.8	3.6
Rate of value preservation and appreciation of state-owned assets	%	164	100	107
Owners' equity	HKD billion	29.293	29.349	31.455
Total investment in fixed assets	HKD billion	4.783	1.771	0.964
Asset debt ratio	%	38	43	42
Labor productivity	HKD 10,000/year	53.29	66.33	94.56

Employee Responsibility				
Indicator	Unit	2021	2022	2023
Number of employees	headcount	3,146	2,533	2,443
Number of disabled employees	headcount	12	8	10
Proportion of female managers	%	22.9	24.0	24.0
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Health check coverage rate	%	100	100	100
Paid leaves per capita	day	15	15	15
Employee training coverage rate	%	100	100	100
Total investment of employee training	RMB 10,000/year	69.212	287	90
Training time per employee	day	115	120	125
Employee turnover rate ³	%	38.7	38.8	39
Emergency drills	times	1,968	1,330	973
Employee's safety training hours	hour	19,330	17,498.3	10,012
Safety training coverage rate	%	100	100	100
Number of safety hazard investigations	/	3,236	4,053	276
Number of rectifications of potential safety hazards	/	3,144	3,972	274
Rate of rectifications of potential safety hazards	%	91.40	98.00	99.00
Work safety investment	HKD million	13	14	19.8
Fatality rate per thousand employees	%	0	0	0

Customer Responsibility				
Indicator	Unit	2021	2022	2023
R&D investment	HKD million	17.5	21.3	46.856
Number of new patents	/	0	4	8
Ratio of qualified products	%	100	100	100
Environmental Responsibility				
Indicator	Unit	2021	2022	2023
Total annual energy consumption	10,000 tons of standard coal equivalent	0.7584	0.5161	0.5098
Annual energy consumption reduced	10,000 tons of standard coal equivalent	25.357	0.2693	0.0063
Total packaging materials for end products	10,000 tons	0	242	179.28
Total investment in environmental protection management	HKD million	26.85	87.49	139.11
Comprehensive energy consumption	10,000 tons of standard coal equivalent	0.7584	0.5161	0.5098
Comprehensive energy consumption per RMB 10,000 of output value	ton of standard coal equivalent /RMB 10,000	0.0314	0.02996	0.0255
Comprehensive energy consumption per RMB 10,000 of added value	ton of standard coal equivalent /RMB 10,000	0.0694	0.05212	0.0362
Annual freshwater consumption	10,000 tons	0.1263	0	0
Freshwater consumption per unit of industrial added value	m3 /RMB	0.0339	0	0
Investment in environmental activities	HKD 10,000	1.34	0	0
CO ₂ emissions	ton	144.1529	37,718.4	21,582.3919
CO ₂ emission per RMB 10,000 of output value	ton/RMB 10,000	0.0037	0.2264	0.1081
Office electricity consumption	kWh	227,485.38	262,639.2	192,578
Office water consumption	ton	288	610	451.7
Office paper comsumption	piece	527,500	290,000	424,101
Partner Responsibility				
Indicator	Unit	2021	2022	2023
Economic contract performance rate	%	100	100	100
Total number of MOU signed	piece	5	10	14
Industry-university-research cooperation expenditure	HKD 10,000	1,750	2,130	1,050
Responsible procurement ratio ²	%	100	100	100
Percentage of key suppliers passing the certification of QEOHS systems	%	100	100	100
Number of potential suppliers rejected due to non-compliance with social responsibility	/	0	0	0
Number of suppliers delisted due to non-compliance with social responsibility	/	0	0	0
Social Responsibility				
Indicator	Unit	2021	2022	2023
Number of jobs created	headcount	1,600	1,274	1,366
Total tax payment ⁴	HKD million	95	125	135
Charitable donation expenditure	HKD million	0.21	1.378	0.29
Percentage of local employment	%	90.50	95.20	95.50

GRI Content Index

Statement of use		CRE has reported the information cited in this GRI content index with reference to the GRI Standards for the period from January 1 to December 31, 2023	
GRI 1 used		GRI 1 : Foundation 2021	
GRI Standard	Disclosures		Location
General Disclosure			
GRI 2 : General Disclosures 2021	2-1	Organizational details	1,5-9
	2-2	Entities included in the organization's sustainability reporting	1,6
	2-3	Reporting period, frequency and contact point	1
	2-4	Restatements of information	1
	2-5	External assurance	1
	2-6	Activities, value chain and other business relationships	5-10, 49,53
	2-7	Employees	35-40
	2-8	Workers who are not employees	35-40 ,53
	2-9	Governance structure and composition	48
	2-10	Nomination and selection of the highest governance body	48
	2-11	Chair of the highest governance body	48
	2-12	Role of the highest governance body in overseeing the management of impacts	48
	2-13	Delegation of responsibility for managing impacts	48
	2-14	Role of the highest governance body in sustainability reporting	48,54
	2-15	Conflicts of interest	55-56
	2-16	Communication of critical concerns	55-56
	2-17	Collective knowledge of the highest governance body	48
	2-18	Evaluation of the performance of the highest governance body	48
	2-19	Remuneration policies	35-36,48
	2-20	Process to determine remuneration	35-36,48
	2-21	Annual total compensation ratio	Omitted due to business confidentiality
	2-22	Statement on sustainable development strategy	3-4,48,54
	2-23	Policy commitments	48,54
	2-24	Embedding policy commitments	48,54
	2-25	Processes to remediate negative impacts	52
	2-26	Mechanisms for seeking advice and raising concerns	1,52
	2-27	Compliance with laws and regulations	48,50-51
	2-28	Membership associations	60-61
	2-29	Approach to stakeholder engagement	56
	2-30	Collective bargaining agreements	35-37
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	54-56
	3-2	List of material topics	54-56
	3-3	Management of material topics	54-56

GRI Standard	Disclosures		Location
Economic			
GRI201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	62
	201-2	Financial implications and other risks and opportunities due to climate change	22
	201-3	Defined benefit plan obligations and other retirement plans	36
	201-4	Financial assistance received from government	36
GRI203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	11-18
	203-2	Significant indirect economic impacts	11-18
GRI205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	52-53
	205-2	Communication and training about anti-corruption policies and procedures	52-53
	205-3	Confirmed incidents of corruption and actions taken	52-53
GRI206 : Anti-competitive Behavior2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such case
Environment			
GRI301 : Materials 2016	301-1	Materials used by weight or volume	63
GRI302 : Energy 2016	302-1	Energy consumption within the organization	63
	302-3	Energy intensity	63
	302-4	Reduction of energy consumption	63
GRI303 : Water and Effluents 2018	303-5	Water consumption	63
GRI305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	63
	305-4	GHG emissions intensity	63
	305-5	Reduction of GHG emissions	63
GRI306 : Waste 2020	306-2	Management of significant waste-related impacts	23-24
GRI308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	53
	308-2	Negative environmental impacts in the supply chain and actions taken	53
Society			
GRI401 : Employment 2016	401-1	New employee hires and employee turnover	62
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	35-40
GRI403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	38-39
	403-2	Hazard identification, risk assessment, and incident investigation	38-39
	403-3	Occupational health services	38-39
	403-4	Worker participation, consultation, and communication on occupational health and safety	38-39
	403-5	Worker training on occupational health and safety	38-39
	403-6	Promotion of worker health	38-39
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38-39
	403-8	Workers covered by an occupational health and safety management system	38-39
	403-9	Work-related injuries	62
	403-10	Work-related ill health	38-39

GRI Standard	Disclosures		Location
GRI404 : Training and Educations 2016	404-1	Average hours of training per year per employee	36
	404-2	Programs for upgrading employee skills and transition assistance programs	36-37
	404-3	Percentage of employees receiving regular performance and career development reviews	36-37
GRI405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	35
GRI406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No such case
GRI407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such case
GRI408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	No such case
GRI409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No such case
GRI411 : Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	No such case
GRI413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	15-18,41-43
	413-2	Operations with significant actual and potential negative impacts on local communities	No such case
GRI414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	52-53
	414-2	Negative social impacts in the supply chain and actions taken	52-53
GRI415 : Public Policy 2016	415-1	Political donation	No such case
GRI416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	30-31
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such case
GRI417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	31
	417-2	Incidents of non-compliance concerning product and service information and labeling	No such case
	417-3	Incidents of non-compliance concerning marketing communications	No such case
GRI418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such case

Report Rating





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