

2022

Sustainability Report

China Resources Enterprise, Limited



About the Report

Reporting Cycle

This is the tenth 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, 2022. Some contents may be beyond this time frame.

Organizational Scope

This report discloses the CSR philosophy, measures and performance of CR Enterprise and its member enterprises 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 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
- Environmental, Social 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-CSR4.0) issued by the Chinese Academy of Social Sciences

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 review 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

If you have any comments or suggestions on the report, you can give feedback in the following ways. We will fully consider your comments and suggestions, and promise to properly protect your above information from being obtained by third parties.



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Letter from the Chairman

The advancements of human society are attributable to innovations in science and technology. Looking back on our development history, the spirit of "Always Entrepreneurial" shines brightly in our story, highlighting our determination to innovate and strive for self-improvement. In 2022, CR Enterprise, which started from scratch in Hong Kong, greeted its 30th founding anniversary. As the main force for CR's business in Hong Kong, CR Enterprise pioneers the overseas business expansion, and accelerates the development of new industries. We continue to expand the three existing sectors of warehousing holding and operation management, investment of household item industries, and coffee, incubate plant-based protein and the elderly care industries, and accelerate the development of the sci-tech innovation business to help develop Hong Kong into an international innovation and technology (I&T) hub.

Following the industrial roadmap to fulfill the strategic goals set during the 14th Five-Year Plan period

We delved into our current businesses to further improve our core competitiveness. CR Logistics undertook Sha Tin Warehouse and Chai Wan Warehouse, and acquired Sheung Shui Warehouse of Kerry Logistics and CR Vanguard Zhongshan Warehouse, which achieved a breakthrough of logistics acquisitions in the Mainland of the Greater Bay Area, striving to become a leading warehouse holding and operation management enterprise rooted in Hong Kong and focusing on the Bay Area. China Resources Enterprise Property Investment Company Limited (CREP) achieved good internal collaboration in the Sugar Street project, and completed its first community mall project in Hong Kong, Wan Tau Tong Square, which was a milestone in its business transformation and the "Reshaping Hong Kong Strategy", and will gradually establish the product line of community commercial center. On the basis of maintaining the leading scale of the Hong Kong market, Pacific Coffee (Hong Kong and overseas) developed light catering, established Quik D store for quick delivery, pet-friendly store Moojoo and other businesses. We continued to conduct in-depth research on the development trend of emerging industries, and worked with OATLY, the green leader in plant-based milk, to build Ma'anshan Factory into the largest supply chain in Asia and equipped it with a local R&D center. We accelerated the construction of Qiandao Lake Ecological Factory to provide Chinese consumers with a

green, healthy and sustainable lifestyle. Adhering to the principle of respecting and caring for the elderly, we focus on the aged care industry to provide better facilities and services.

Supporting the tech industry by boosting applications of research achievements

Since the completion of our major strategic transformation in 2021 and the establishment of our new strategic mission and objectives, "Innovation and Technology (I&T)" has become a keyword throughout our business, and will certainly become a trend in our joint efforts with our partners. In response to *Hong Kong Innovation and Technology Development Blueprint*, we endeavor to build Hong Kong into an international I&T hub. We took over China Resources Research Institute of Science and Technology and established three branch institutes, naming Institute of Intelligence and Digitalization, Institute of Life and Health and New Materials Research Institute, lay out research directions such as aerospace biotechnology, intelligent technology for the elderly, 5G applications, new industrialization, etc. Promote industry-university-research cooperation, and build a platform for the convergence of scientific and technological talent, a platform for the industrial transformation of scientific and technological achievements, and strive to tackle the core technologies. We co-funded a joint venture company with the City University of Hong Kong. We established the Joint Innovation Centre on Smart Chinese Medicine with Hong Kong Baptist University. We cooperated with the Hong Kong University of Science and Technology on the transfer of scientific research and technology for the collective cultivation of business and leading-edge talents. In 2022, the Institute facilitated and launched over 10 technological innovation projects, dedicated to boosting the application and commercialization of technologies in lab and building Hong Kong into an international center for technology and innovation.

Opening the door to a better future with the Golden Key, sustainable development

We strive to offer more diverse solutions along the path of sustainable development. Insisting on green development, we fulfill the goals of carbon peaking and carbon neutrality. We have formulated the *CR Enterprise Action Plan for Carbon Dioxide Peaking* to continuously promote environmentally friendly green concepts and green ideas such as recyclable, biodegradable and renewable, to protect the environment. We put product quality and customer service in the first place, take advantage of our own resources and positioning, continue to meet the growing and diversified needs of consumers, and focus on improving customer satisfaction and access. The "4+1" talent team has been set up, with three-level talent training programs of CRE Rising Star, CRE Youth Talent and CRE Elite Talent in place, to create a harmonious working environment. To foster a diverse and inclusive culture, we shed light on the training of leading-edge talents in Hong Kong and nailed down the "Three Focuses" on education, employment and entrepreneurship. Moreover, we launch the "Creativity Initiative" to develop the patriotism of Hong Kong youth, the children's painting competition has covered more than 300 schools for three consecutive years. The "Employment Initiative" (renamed as "Qing Yun Qi Meng" Youth Enlightenment Initiative in 2023) is aimed at secondary school students aged 14-19 to help them build self-confidence and explore their career direction by providing activities such as job practice, mentorship and career planning. The CR Group is actively planning the second phase of the "Dream Initiative", which is dedicated to promoting the cultivation of Hong Kong's I&T young talent, establishing the value orientation that there is a future in doing I&T, encouraging more young people to devote themselves to the field of STEAM, and contributing to the strategy of invigorating China through science and education.

The long road will finally lead to the destination, while perseverance paves the way to success despite difficulties. CRE's commitment in 2023 is to integrate sustainable development into all links of production and operation. We will collaboratively work with shareholders, employees, customers, partners and other stakeholders to create a better and more sustainable future.

Chen Ying
Assistant General Manager of CR, Chairman of CR Enterprise

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. Through M&A, joint ventures, spin-off, IPO, and asset replacement, CR Enterprise has facilitated CR on industrial transformation to drive faster business growth.

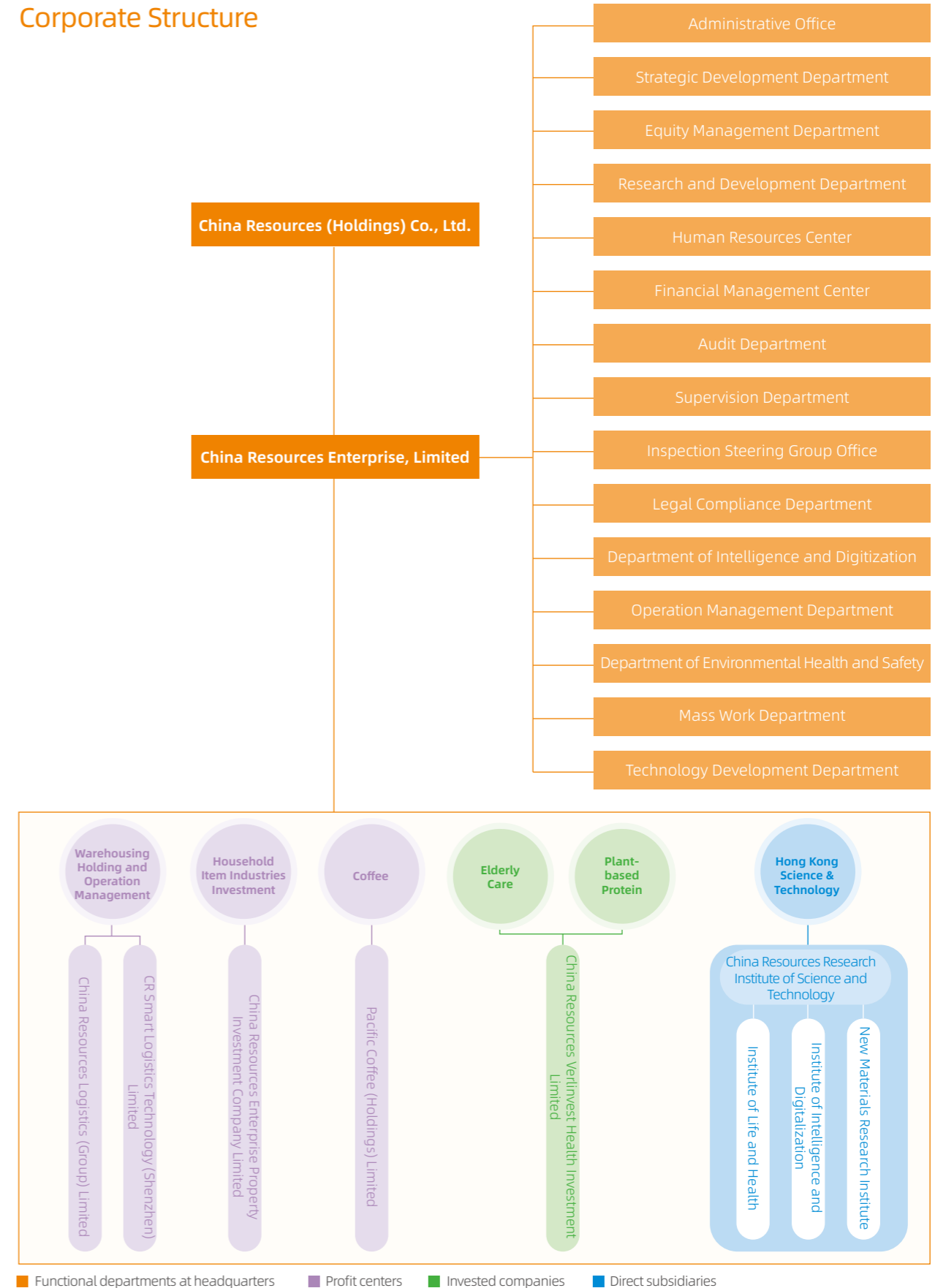
Since its establishment nearly 30 years ago, CR Enterprise has successively involved in mergers and acquisitions in 15 industries such as beer, real estate, consumer goods, retail, gas, and cement. The Company incubated and spun off 4 listed companies for CR, including CR Land, CR Gas, CR Cement and CR Beer, maintaining its professional image in the capital market. The Company has cultivated and incubated many household brands, such as CR Snow, CR C'estbon, CR Ng Fung, and CR Vanguard.

Since 2021, CR Enterprise has formulated a new strategic plan, pioneered the overseas business expansion, accelerated the development of new industries, and became the mainstay for CR's business in Hong Kong. At present, CR Enterprise has businesses such as CR Logistics, China Resources Enterprise Property Investment Company Limited, Pacific Coffee, and CR Smart Logistics Technology, China Resources Verinvest Health Investment, city'super, Runkong Food, etc. We invest in OATLY oat milk, Shenzhou Space Biotechnology Group, etc., and set up China Resources Research Institute of Science and Technology to promote the transformation of advanced scientific research achievements at home and abroad.

During the 14th Five-Year Plan period, the Company will focus on the new "321" business planning to deploy the future industry and investment development. That is to expand the three existing sectors of warehousing holding and operation management, investment of household item industries, and coffee, incubate plant-based protein and the elderly care industries, and accelerate the development of the sci-tech innovation business to help develop Hong Kong into an international I&T hub.



Corporate Structure



Development History

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, by exchanging textile and container terminal businesses for 75 hypermarkets 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 managed by to CR. China Resources Enterprise, Limited 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 Kaida 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 Health Investment Limited's stake and management right. The management rights of CR Snow, CR C'estbon and CR Ng Fung were transferred to CR.

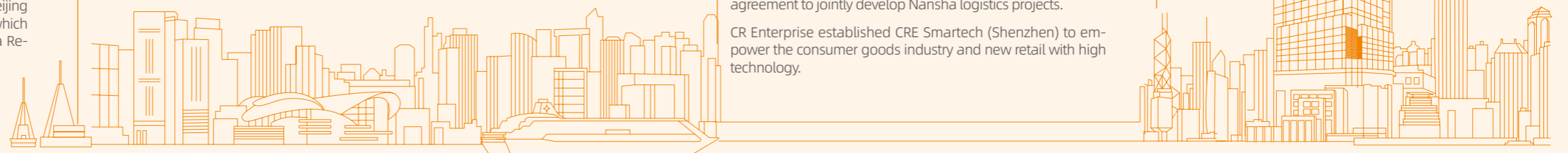
Our subsidiary China Resources Logistics (Group) Limited scaled up storage in Hong Kong and completed the acquisition of Tunmen and Fenling projects, adding storage area by 620,000 square feet.

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 Corporation (HKSTP). We signed agreements with the City University of Hong Kong, the Chinese University of Hong Kong, Fung Investments and HKSTP to build Hong Kong into an international I&T hub based on reasonable resource allocation.

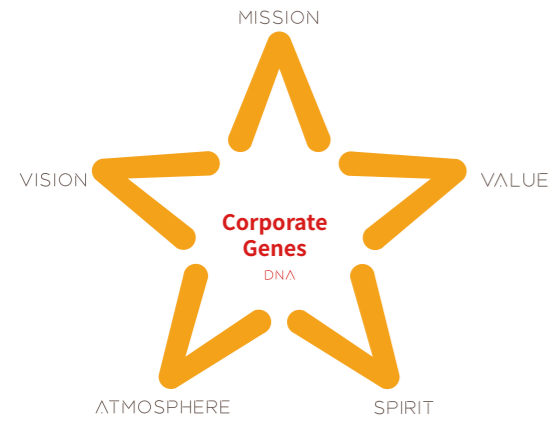
2022

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 Sha Tin Warehouse, Chai Wan 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 Shenzhen Biology & Technology Co., Ltd. and City Super Group. We established Institute of Life and Health, Institute of Intelligence and Digitalization, and New Materials Research Institute 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.



Corporate Culture



Corporate genes

For the great rejuvenation of the Chinese nation
For a happy life of the people
For China's economic prosperity

Value

Honesty and integrity
Performance orientation
People first
Innovative development

Mission

Lead the business progress
Create a better life together

Corporate spirit

Dedicated to China's development
Pioneering to innovate
Determined to keep perseverance
Striving for self-improvement

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
Unity
Openness
Ambition

2022 Highlights

January



CR Enterprise Properties was renamed China Resources Enterprise Property Investment Company Limited.

May

CR Enterprise signed a joint venture agreement with Fung Investments on building a USD 300 million investment platform.

CR Enterprise signed an MOU with Hong Kong Baptist University to establish the HKBU-CRE Joint Innovation Centre on Smart Chinese Medicine, thus facilitating the modernization and internationalization of traditional Chinese medicine.

June

CR Enterprise bid HKD 4.62 billion for the acquisition of Sha Tin Warehouse and Chai Wan Warehouse and further improved business layout.

CREP bid HKD 1.36 billion for the acquisition of Xincheng Shopping Center and dedicated to providing premium shopping experience and services for over 30,000 residents there.

November

CR Enterprise signed an MOU with the Hong Kong University of Science and Technology to transform the fruits of the scientific research into market-oriented products and services.

China Resources Logistics bid HKD 1.42 billion for the acquisition of Shangshui Warehouse to optimize its layout of assets.

December

China Resources Logistics bid RMB 297 million for the acquisition of Banfu Warehouse of CR Vanguard, scaling up business in the Greater Bay Area.

Spotlight
I

"Three Focuses" Help Fulfill Dreams of Hong Kong Youth and Carry Forward "Lion Rock Spirit"

CR Enterprise, CR's mainstay in Hong Kong, witnessed the return of Hong Kong and accompanied it along the path of changes in the past 25 years. We spent our youth on the development of Hong Kong. We adhere to our social responsibility as a central SOE in Hong Kong and vigorously implement the guiding principles of President Xi's remarks on the 25th anniversary of Hong Kong's return to the motherland. Our "Three Focuses" on education, employment and entrepreneurship are put on the agenda to support Hong Kong youth. The "Creativity Initiative", a children's painting competition, engaged in over 300 schools for three consecutive years. The "Employment Initiative" (renamed as "Qing Yun Qi Meng" Youth Enlightenment Initiative in 2023), an intern program, has provided about 150 posts within two years and organized 20 Hong Kong university students to go to the mainland to immerse themselves in rural revitalization and national development achievements, boosting the confidence of grassroots youth by underpinning several careers planning events. Furthermore, the "Dream Initiative" first-phase entrepreneurship training program in the Greater Bay Area, ended with a huge success. Our Hong Kong youth partners opened coffee stores in Shenzhen to help Hong Kong youth with their challenges and build a better Hong Kong.

Supporting education with patriotism

On the 25th anniversary of Hong Kong's return, CR Enterprise held the 3rd Creativity Initiative for primary and middle school students in Hong Kong, which covered 300 kindergartens, primary and middle schools and saw over 3,000 paintings. At the same time, the competition was combined with the positioning of CR Entrepreneurship, and fully made good use of the relevant resources, inviting the Vobile Group, which was also enthusiastic about the charity work of Hong Kong youth, to provide free technical support, using the 25th anniversary of the return of Hong Kong to the motherland as the design theme,

and making the winning works of the competition into a digital collection, opening up a broader imagination for the digital exploration of the creative talents of the young contestants and the digital inheritance of patriotic passion. The young competitors portrayed Hong Kong vividly from different perspectives. The winners' works were also printed on the moon cake boxes of Pacific Coffee, which were donated to the orphans of St. Christopher's Home and children families living in Hong Kong's underprivileged areas. The move aimed to carry forward traditional Chinese culture and support the impoverished there.



The opening ceremony for the 3rd painting competition



Entries of the 3rd painting competition

Comments from stakeholders

"I recently moved to Hong Kong and have witnessed changes that have taken place over the past three years. I really hope for a more prosperous future for Hong Kong."

--A child joined the painting competitions for three years



Empowering career development with correct direction

In 2022, CR Enterprise's "Employment Initiative" (renamed as "Qing Yun Qi Meng" Youth Enlightenment Initiative in 2023) provided career counseling services and 112 intern opportunities for grassroots middle school students in Hong Kong, which covered coffee, logistics, retail goods, traditional Chinese medicine, commercial property management and jewelry. 66 teenagers were paired up in the Initiative based on job interests, with a year-on-year increase of 74% in pairing rate. Two of them were given job opportunities at Pacific Coffee; the first to propose a combination of job experience and career planning guidance, opening a precedent for corporate employees to serve young people in society in a "mentorship" mode, giving participants maximum resource support and value impact in a limited period of time. The teenagers assumed posts as apprentices,

during which they were guided to clarify their aspirations and plan their career. We held chessboard games for career planning, workplace training, industry information introduction and youth exchanges to help grassroots middle school students in Hong Kong get familiar with the workflow in advance, accumulate internship experience and adapt to society as soon as possible.

Cultivating youth wholeheartedly best represents CRE employees' dedication. The number of volunteer employee tutors is increasing year by year. In 2022, about 60 young Hong Kong employees joined the tutor team (including frontline employees), dedicating to youth education and cultural integration of Hong Kong and the motherland.



A visit to the warehouse of CR Logistics



Career planning activities



Hong Kong's Chief Executive, John Lee Ka-chiu, posed for a group photo with the winner of Dream Initiative.

Innovating in entrepreneurship and reserving leading-edge talents

In 2022, the first phase of the "Dream Initiative" came to the practice stage. Two Hong Kong youth startup teams fulfilled the dream of running coffee stores in the Greater Bay Area, which was marked by their two coffee stores in Qianhai and Shenzhen. Hong Kong's Chief Executive, John Lee Ka-chiu, posed for a group photo with the winner of the "Dream Initiative" during his visit to Qianhai and praised it as a model of integration in the Greater Bay Area. Our support for young entrepreneurs in Hong

Kong is not limited to a start-up competition. We are preparing for the second phase to support Hong Kong youth who are interested in developing their careers, and encouraging more young people to join STEAM in the field of creative science in the Greater Bay Area. We aim to foster an atmosphere where there are no boundaries in technological innovation, restore youth's confidence and cultivate local I&T talents.

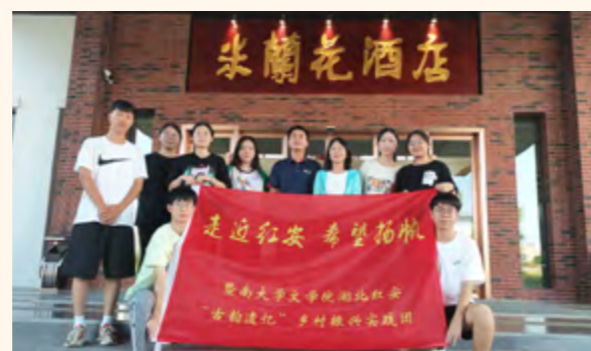
CR Enterprise will stick onto its positioning in Hong Kong, support Hong Kong's education, employment and entrepreneurship. We will pay more attention to the thorny problems against Hong Kong youths, improve the "Three Focuses" system and establish a multidimensional support structure to promote Hong Kong youths' understanding of the national and global

development trends, enhance national pride and sense of ownership, further assist Hong Kong to achieve better development in integrating into the overall development of the country, and create more opportunities for Hong Kong youths to grow and become successful, thereby writing a new chapter for "Lion Rock Spirit".

In July, 2022, we declared our HKD 100,000-donation to the Hong Kong Vocational Training Council (VTC) to set up "Beyond Dreams" Youth Scholarship encouraging students to hone their vocational skills. In the meantime, Pacific Coffee cooperates with partners including those under VTC to hold the first barista competition and will provide internships and employment opportunities for youth in the future, fulfilling their dreams.

In August, 2022, we organized 2 project teams of mainly Hong Kong students from Jinan University to go to the CR Hope Town in Jianhe county and CR Hope Town in Hong'an county respectively. Through the 7-day study and practice, they proposed suggestions on industrial innovation development from the perspective of Chinese herbal medicine and cultural tourism industry empowerment, boosting the industrial development of Hope Towns, and enhancing the innovation and entrepreneurship ability of Hong Kong youth through practice.

In December, 2022, Pacific Coffee signed a memorandum of understanding (MOU) with the City University of Hong Kong, under which some stores of Pacific Coffee will be involved in HK Tech 300 Entrepreneurship Initiative, providing free space and high-quality catering service for student entrepreneurs. This move also be applied to communities to encourage Hong Kong youth to start a company, make their ideas materialize and eventually support Hong Kong's I&T industry.



Spotlight II

Intelligence Technologies Improve Hong Kong's I&T Ecosystem

"Innovative technologies are the main engine to support Hong Kong's high-quality economic development. 'No I&T, no future'. The SAR Government will make every effort and speed to promote the development of I&T in Hong Kong, promote the complementary advantages of the industrial chain between Hong Kong and other cities in the Greater Bay Area, and build a more prosperous I&T ecosystem. Accelerate the development of smart cities and promote Hong Kong to achieve a new leap in the development of innovation and technology."

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

CR Enterprise has always been rooted in Hong Kong, combined with the positioning of Hong Kong's international science and technology center, to build a technology innovation cooperation platform, making full use of the niche advantages of each profit center to promote the transformation of scientific and technological achievements. We also make use of the resources of the science and innovation platform to connect with the scientific research needs of the relevant profit centers of the CR Group and to empower the technological development of other business units.

China Resources Research Institute of Science and Technology boosts innovative development

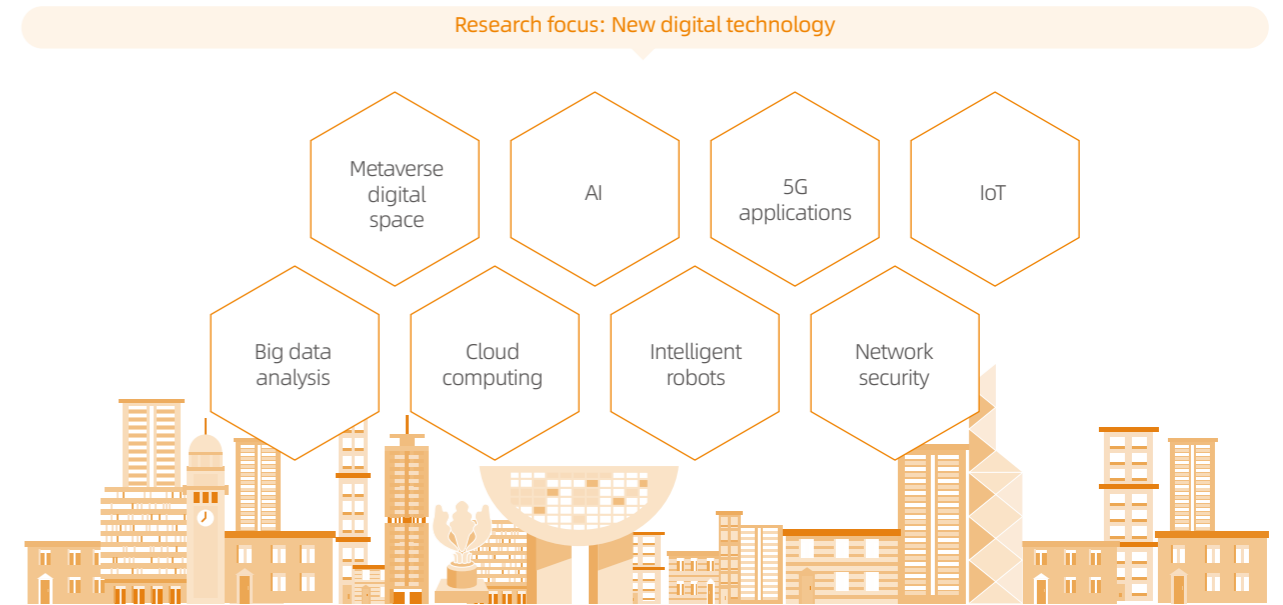
In 2022, CR Enterprise undertook China Resources Research Institute of Science and Technology (hereinafter referred to as "Research Institute") from CR. As CR's main scientific research platform in Hong Kong, the Research Institute takes account of national needs, Hong Kong's advantages and CR's strengths,

and established three branch institutes to enhance research. It cooperates with well-recognized universities, research institutes and R&D enterprises at home and abroad in an attempt to promote industry-university-research cooperation and build a platform to transform advanced research achievements.

Institute of Life and Health

Research focus	<ul style="list-style-type: none"> Bioproducts, pharmaceuticals, aerospace biotech, traditional Chinese medicine R&D, advanced testing, healthcare, intelligent elderly care, neuroscience
Key joint research projects	<ul style="list-style-type: none"> CRE-Roborn GeronTech Robotic Joint Research Centre Smart IVD Joint Research Center
Joint research	<ul style="list-style-type: none"> Signing an MOU with Hong Kong University of Science and Technology to establish the Joint Innovation Center for Molecular Neuroscience Signing an MOU with Hong Kong Baptist University to establish the HKBU-CRE Joint Innovation Centre on Smart Chinese Medicine to explore the solution to chronic diseases plaguing Hong Kong residents such as COVID-19, diabetes and depression

Institute of Intelligence and Digitalization



New Materials Research Institute

Research focus
Improving innovation system and enhancing self-innovation capacity

- High-performance composites, cutting-edge materials, chemical materials, organic materials, carbon neutrality, advanced manufacturing, new infrastructure and new industrialization

Scientific research projects
Promoting business-university cooperation on cultivating world-class industrial clusters

- Research Institute for Carbon Neutral New Materials
- Raman Scattering System
- Internet of Things Virtual Laboratory
- New Industrialization of Coffee Operation

Industrial transformation

- Facilitating the integrated development of new materials industry and cooperation across regions and pinpointing potential of economic growth
- Exploring "Hong Kong Mode" and strategic businesses in new materials sector
- Integrating resources to create a national paradigm of innovation in new materials and new energy in the Greater Bay Area
- Identifying market opportunities, cultivating new industries and triggering technological reforms

Comments from stakeholders

"The establishment of China Resources Research Institute of Science and Technology will underpin Hong Kong's I&T development. First, it focus is in line with the highlights of Hong Kong's future development, which are life and health technology, AI and digitalization, advanced manufacturing and new energy technology. Second, its mode will help Hong Kong consolidate its advantages in basic scientific research, improve its tech ecosystem, link upstream, midstream and downstream industries and provide all-round support for technology-to-product transformation."

—Zhang Manli, Under Secretary for Innovation, Technology and Industry, the Government of the Hong Kong Special Administrative Region



Launching ceremony of China Resources Research Institute of Science and Technology

Leveraging investment resources to incubate tech enterprises

To enhance the I&T ecosystem and promote "new industrialization" in Hong Kong; To enlarge the I&T talent pool to create strong impetus for growth; To promote digital economy development and develop Hong Kong into a smart city; To proactively integrate into the overall development of the country and consolidate our role as a bridge connecting the Mainland and the world.



—Hong Kong Innovation and Technology Development Blueprint

In 2022, CR Enterprise started a new journey based on its business in Hong Kong. The Company strengthened its prowess in key areas by means of mergers and acquisitions, strategic investment, alliance and cooperation platforms. The Company promoted the establishment of tech startups through invest-

ments and industrial transformation. We enhanced the driving role of emerging industries and tapped into Hong Kong's potential and CR's large-scale businesses to support startups to become fast-growing or leading enterprises.

Case: CR Enterprise Venture Capital Platform witnesses the first investment in a startup

CR Enterprise Venture Capital Platform screens projects via multiple channels in pursuit of high-quality startups with which industry-university-research cooperation can be carried out. In December 2022, the Platform completed the investment in Radiance, a start-up in metaverse field and the two parties jointly developed SaaS-based service software applicable to scenarios such as metaverse. For instance, a metaverse for Pacific Coffee was built as a benchmark to deepen the cooperation among Radiance, Pacific Coffee and China Resources Research Institute of Science and Technology on AR and VR applications.





ESG Story

Eco-friendly OATLY's Commitment to Sustainability

According to the 2021 White Paper of China Oat Milk Industry, the impact of the global food industry accounts for approximately 25% of the total global human-caused climate impact, and animal-based products account for more than half of global food-related emissions and three quarters of the land used for food production, making plant-based food a key solution to the global climate change and resource challenges.

Based on its "321" industry and investment road-map, CR Enterprise has matched industrial resources and made strategic plan to actively incubate plant-based protein business. By holding equity of OATLY, we have completed the initial layout in the plant-based milk market segment. Besides, we have promoted the OATLY factory in Ma'anshan,

Anhui province to become the largest supply chain in Asia with local R&D center. With these efforts, we will accelerate the transformation towards a plant-based food and beverage system and guide more people to embrace a more sustainable future.

With sustainability as one of its core values, OATLY focuses on the development of healthy and green plant-based dairy products and is the first oat milk brand in the world to disclose carbon footprint of its product. By establishing the Restoration Farming system, using packaging made from 100 percent renewable materials, recycling cartons and launching other environmental activities in various themes, OATLY makes continuous contributions to human health and global sustainability.

Renewable energy

All factories of OATLY are powered by electricity generated from renewable resources. It also purchases around 85% renewable power and 21% renewable heat power for all of its production bases (including production partners). In 2022, the proportion of OATLY's total renewable energy use reached 38%.

Production

OATLY has established the oat Restoration Farming system that supports farmers with restorative and regenerative agricultural practices to produce climate neutral oats, and helps farmers transition from livestock to more diverse plant-based farming, with well-researched, locally appropriate solutions.

Transportation

In 2022, transportation accounted for about 25% of OATLY's corporate climate footprint. OATLY has established a global sustainable logistics strategy, through which it aims to reduce travel distances and minimize potential environmental impacts along all transportation routes, and opts for more sustainable storage methods.

Packaging

OATLY has launched the Carton Recycling initiative. It joins hands with industry partners to recycle OATLY cartons for a second use so as to protect environment. All OATLY oat milk cartons can be recycled after consumption and made into beautiful and portable eco-friendly carrying handles, daily packaging materials and art installations, thus reducing carbon emissions and resource consumption of material production while decreasing material consumption. In 2022, the proportion of OATLY's renewable or recyclable packaging was up to 89%.

Proportion of factories are powered by electricity generated from renewable resources

100 %

Proportion of total renewable energy use

38 %

Proportion of renewable or recyclable packaging

89 %

Safeguarding the Natural Environment



CRE Responsibility

"Green, low-carbon and sustainable development" is the CR Enterprise's philosophy of environmental protection. To this end, we improve the environmental protection management system, implement green development strategies, explore the utilization of clean energy and promote the idea of environmental protection and energy conservation with more investment in environmental protection. What's more, we take multiple measures to withstand the impacts of climate change, so as to achieve a win-win situation for both economic and environmental benefits.

HKD **874,900**

Total investment in environmental protection management

51,610 tons of standard coal equivalent

Total annual energy consumption

37,718.4 tons

CO₂ emissions

GRI Indicators

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



Climate Change

Climate change poses a great threat to the global ecological environment and the economic and social development. CR Enterprise implements the CR's requirements for energy conservation, emission reduction and eco-environmental protection management, develops special implementation plans, and adopts seven key initiatives to achieve CRE's goals of energy conservation and emission reduction. We also formulate the *CR Enterprise Action Plan for Carbon Dioxide Peaking* to protect the green home with practical actions.

CRE measures to help achieve carbon peaking and carbon neutrality

Goal-setting

Setting the CRE goals of energy saving and emission reduction during the 14th Five-Year Plan period, and making detailed arrangement according to the actual business reality of each profit center.

Comprehensive energy consumption per operating income (tons of standard coal/ RMB 10,000) compared to 2021:

Average annual decrease of **2.7** %

Comprehensive energy consumption per added value (tons of standard coal/ RMB 10,000) compared to 2021:

Average annual decrease of **2.0** %

Plan formulation

Formulating the *CR Enterprise Action Plan for Carbon Dioxide Peaking*, and making own contributions to mitigate climate change through five major actions, namely Energy Resource Conservation and Carbon Reduction, Tapping into Green Energy Projects, Advocating Green and Low Carbon Lifestyle, Leading Green and Low Carbon Consumption, and Green and Low Carbon Sci-Tech Innovation and Transformation of Scientific Research Results.

Saving energy resources and reducing carbon emission

- CR Logistics and CREP: Actively adopting energy-saving technologies, and investing in and renovating projects for energy saving and consumption reduction such as replacing existing lighting facilities with energy-saving lamps and fixtures.
- Coffee business: Abiding by the *Charter on External Lighting* implemented by the Environment and Ecology Bureau (EEB), pledging to switch off lighting installations for decorative, promotional or advertising purposes which affect the outdoor environment during the preset time to reduce energy consumption.

Exploring green energy projects

- CR Logistics: Installing photovoltaic power generation equipment on the roofs of warehouses and own properties and connecting to the grid for electricity generation.
- CREP: Putting into use the roof photovoltaic generation for utilizing green energy.

Advocating green and low-carbon lifestyle

- Advocating green and low-carbon work and lifestyle, and encouraging employees to develop green and low-carbon behavior habits.
- Strengthening green and low-carbon publicity and education to enhance the environment-friendly social image of the Company.

Calling for green and low-carbon consumption

- Coffee business: Further promoting the Plastic Reduction action during the procurement, replacing plastic beverage straws and cups with biodegradable ones, and promoting the application of green and low-carbon products at the consumption end.

Developing projects for green and low-carbon sci-tech innovation and transformation of scientific research results

- Creating platforms for green and low-carbon technological innovations and nurturing industry-leading technology companies in the green and low-carbon field.
- Strengthening capacity building of green and low-carbon innovation and talent cultivation, and introducing or cultivating a group of leading talents and high-tech teams in the fields of advanced technology materials, energy storage, new energy, energy saving and carbon reduction, carbon capture and storage, etc.
- Advancing the key technologies R&D and investment in green and low-carbon and related fields to help achieve CR's goal of carbon peaking and carbon neutrality.



CREP puts into use the roof photovoltaic green energy utilization project.



Pacific Coffee (Mainland) launches a concept store themed with environmental protection in China World Mall.

Clean Operations

CR Enterprise integrates the concept of green management into the whole process of business and operations. By implementing green procurement, promoting eco-design and exploring green packaging in the whole life cycle of its products, CR Enterprise advances green transformation while pursuing economic development and achieve greater development in green transformation.

Green management

We always adhere to green operation and continue to improve the EHQS management system. By establishing environmental warning mechanism and contingency plans, we work to prevent environmental incidents. Besides, we sort and recycle

waste and replace equipment to reduce discharge of pollutants and strengthen green supply chain management to promote green and coordinated development of the Company.

CR Logistics

- Regularly cleaning the cooling system of the building to improve cooling efficiency, and timely repairing water pipes to reduce water consumption.
- Monitoring on-site noise and PM2.5 in real-time, installing soundproofing canvas, purchasing sweeper, and equipping with automatic watering system in gravel operation area to reduce dust and noise on the site.
- Replacing all diesel forklifts with electric ones to reduce exhaust emissions; phasing out old tractor fleet for new ones, with fuel consumption improved by about 10-20% compared to the old models.

Runping Investment Limited Company

- Authorizing related contracted parties that are qualified to clean and remove daily food and material waste.
- Regularly organizing knowledge popularization on waste sorting, and sorting waste in accordance with regulations on classified garbage disposal in areas where the store is located.
- Replacing non-environmental and disposable consumables according to the actual business situation, and increasing the utilization rate of environmental materials and consumables.

Pacific Coffee (Hong Kong and overseas)

- Continuously improving the environmental protection management system, and conducting quarterly and monthly inspection of energy-efficiency and ecological environmental protection.
- Considering storage conditions of stores, reducing the number of store deliveries, and practicing the green, environmental protection and energy-efficient philosophy in the supply chain.

CREP

- Completing ISO 14001 environmental management system certification assessment and implementing environmental responsibility management in strict accordance with ISO 14001 requirements.

Case: OATLY extends green footprint with multiple measures

As a green leader in plant-based milk, OATLY has set three major goals to promote sustainable development, continuously contributing to the reduction of greenhouse gas emissions, promoting resource recycling, and facilitating the transformation of low-carbon consumption patterns.

Driving food system change: Launching the "F.A.R.M. (Future Agriculture Renovation Movement)" covering 6 countries including China, Canada and the United States, donating meteorological piles to 10 coffee plots in Pu'er and Menglian, Yunnan, and working with farmers and suppliers to explore sustainable agricultural production and procurement methods.

As a role model for future companies: Committed to reducing environmental impact, the average carbon emission per liter of oat milk decreased by 7.5% year-on-year, and the average water consumption per liter of oat milk decreased by 0.8L year-on-year; 100% of our own factories worldwide use renewable electricity and 100% of oat residue is reused; 21% of our products and materials were transported by sustainable ground transportation.

Promoting plant-based changes: Launching the OATLY Tea Master in Asia, which is customized for tea drinking, to explore more plant-based application scenarios; caring about the employment and life of disadvantaged groups and training over 200 "silent baristas" to create more development possibilities for disabilities.

Average carbon emissions per liter of oat milk decreased by

7.5 % year-on-year

Achieved reuse of oat residues

100 %

Average water consumption per liter of oat milk decreased by

0.8 L year-on-year

Proportion of products and materials were transported by sustainable ground transportation

21 %

Green packaging

As the concept of environmental protection and carbon reduction becomes popular, "Replacing Plastic with Paper" has become the trend of times. We continue to improve market-oriented innovation of green technologies, and develop and promote

recyclable, degradable, renewable and other environmentally friendly green packaging materials to replace polluting materials, helping build a better environment.

Case: Pacific Coffee develops and applies environment-friendly technologies to reduce resource consumption

Pacific Coffee (Hong Kong and overseas) launches reusable double-sided paper bags, which are waterproof and durable with the "paper-like" outer layer. All outlets use drinking straws made of sugar cane to contribute to the lesser use of plastics. With more environmentally friendly design, the new iced drinking cup is equipped with straw-less lid. What's more, the organic environmental materials enable the plastic cup to be completely and naturally biodegradable. A wide variety of green plastic cups are available for sale and a discount will be given to consumers who bring their own cups, discouraging the use of disposable products.

Environmental Protection

Ecological environment is fundamentally essential for human survival and development. CR Enterprise advocates a green and environmentally friendly way of work and life. By vigorously implementing green office initiatives and widely popularizing knowledge on environmental protection, we promote a harmonious ecological civilization and environment.

Green office

We encourage all employees to practice green office by reducing the use of paper, saving water and electricity, promoting green meetings and taking public transportation, thus normal-

izing green office and building the Company into a saving, energy-efficient and environment-friendly enterprise.

CR Logistics

Encouraging employees to walk stairs, shutting down all power after work, and setting air conditioner (AC) at 24/25 degrees to save electricity.

CREP

Implementing green procurement and promoting reuse and recycling of waste paper; installing hand dryers to reduce the use of hand towels; reusing pen sticks with refills to achieve reuse of resources.

Pacific Coffee (Mainland)

Switching off unnecessary lighting equipment in the office during the one-hour lunch break, setting electrical appliances in the sleep mode with low energy consumption when not in use, and shutting down when not in use for a long time to reduce energy consumption.

Runping Investment

Applying various information systems such as OA to realize paperless office. Adopting video conference and other means to carry out internal meetings, store inspection, etc.

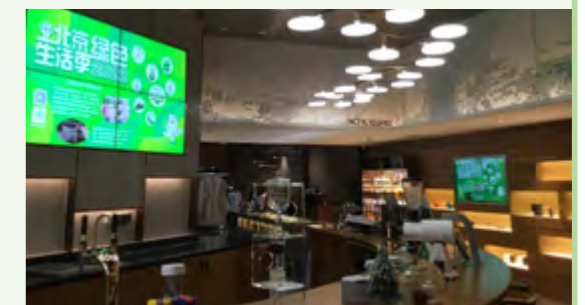
Charitable environmental activities

We carry out the special activities of "June 5th Environment Day", "National Energy Conservation Week", and "National Low Carbon Day" to enhance the awareness of environmental protection among employees and stakeholders. We collect and

summarize the eco-environmental protection actions of profit centers to issue briefs, actively creating a sound atmosphere for everyone's involvement.

Case: Pacific Coffee (Beijing) responds to the call of "Energy Saving for Green and Low-Carbon Life"

On August 27, 2022, Pacific Coffee (Beijing) actively participated in the "2022 Beijing Green Life Season" organized by the Beijing Municipal Commission of Development and Reform. Through the "Bring Your Own Mug and Enjoy the Discount" activity, it encouraged customers to bring their own coffee cups or reuse coffee cup covers to reduce the use of disposable tableware. It made recycled cup and saucer sets and fiber shopping bags from the recycled coffee grounds to promote the recycling of coffee grounds, turning coffee grounds into treasure and leading green and low-carbon consumption among consumers.



Pacific Coffee (Beijing) participated in the "2022 Beijing Green Life Season"

Social (S)



ESG Story

Emerging Technology Empowers the Elderly Care, Robots Cleverly Solve Industry Pain Points

"Technology can bring more happiness to everyone, and that's what we're passionate about. Good scientists want to make people healthier and happier, and that's our ESG intention."

The elderly care industry is one of the new development industries incubated by CR Enterprise during the 14th Five-Year Plan period. With the aging of the population, the shortage of physiotherapists and caregivers continues to plague nursing homes. By linking up with Hong Kong's cutting-edge I&T industry resources, CR Enterprise has actively laid out a new track of robotics and set up the Roborn GeronTech Robotic Joint Research Centre at the China Resources Research Institute of Science and Technology, to empower the traditional elderly care industry with emerging technology and strive to provide the elderly with better, more efficient and safer services.

Adhering to similar industrial pursuits, Mark Mak, a Hong Kong scientist who has dreamed of being a mechanical hero since childhood, and CR Enterprise hit it off right away, formally joining the Research Institute and becoming the Chief Scientist of the Roborn GeronTech Robotic Joint Research Centre at the Institute of Life and Health. Mark Mak led the team not only to focus on the research of living robots, such as the use of medical robots to protect the health of medical staff, the development of road

safety robots to monitor railway platform safety, etc., but also will be keen to develop Happy Aging technology, committed to using technology to solve the elderly fall rescue, remote physical therapy inconvenience and other problems.

Sci-tech innovation has brought the iron hero dream in the movie into the reality, and will also inject new momentum into the development of Hong Kong. Looking into the future, CR Enterprise will continue to gather the strength of scientific and creative talents represented by Mark Mak, and deepen the development elderly care technologies based on the GeronTech Robotic Joint Research Center of Institute of Life and Health of the China Resources Research Institute of Science and Technology and the knockout product of the robotic arm that can assist in rehabilitation, contributing to the building of a combined medical, health and rehabilitation elderly service system during the 14th Five-Year Plan.



Scan the QR code to learn more stories



Cultivating and Growing Talents



CRE Responsibility

Talent is the primary resource for enterprise development. CR Enterprise believes that everyone is talented. We protect the basic rights and interests of employees through equal employment, smooth and democratic communication channels, and sound remuneration and welfare system. We build a diversified training system to empower the overall growth of employees. We fulfill occupational health and safety responsibilities, and cultivate the philosophy of safety culture. We help employees at all levels to solve practical difficulties, and create a warm working environment.

100%
Labor contract signing rate

100%
Social insurance coverage

100%
Health check coverage

24%
Percentage of female managers

GRI Indicators

2-7/2-30/401-2/403-3/403-5/403-6/403-9/403-10/404-1/404-2/405-1/407-1



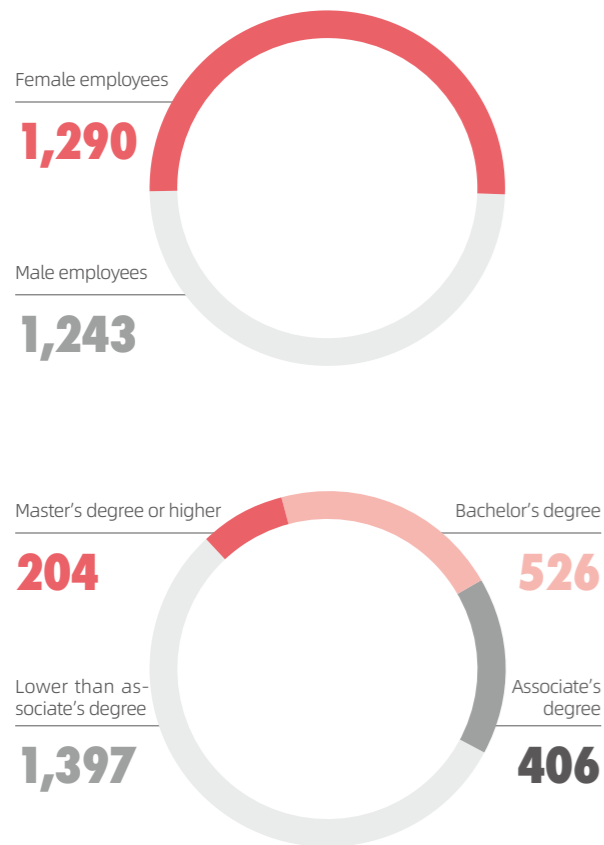
Employees' Rights and Interests

In strict compliance with the *Labor Law of the People's Republic of China* and other relevant laws and regulations, CR Enterprise establishes a sound rule and regulation system for labor management. We keep deepening democratic management, unblocking channels for communication between the Company and employees and improving the opinion-collection and feedback mechanisms. We optimize the compensation and benefits system to effectively protect the legitimate rights and interests of employees from infringement. In 2022, CR Enterprise had 2,533 employees in total, with the labor contract signing rate of 100%.

Equal employment opportunity

Upholding the principle of equal employment, we oppose any discrimination due to gender, region, nationality, educational background, or religion. We ensure a transparent, open, and just recruitment process, providing equal opportunities for all applicants. Moreover, we support equal pay for equal work and

uphold a law-based employment strategy that forbids child labor, forced labor, and workplace harassment and maltreatment. We respect and protect our employees' privacy, and seek to foster harmonious working atmosphere.



Democratic communication

We insist on the implementation of the democratic management system in the basic form of the CRE Worker's Congress. During the Report period, four Congress meetings were held for in-depth participation of corporate governance. We advance information collection of CR Enterprise Labor Union members and real-name authentication to strengthen the building of the democratic management system. Through various types of interviews, seminars with senior managers, we further pro-

mote communications between the Company and employees. By installing opinion box and organizing online and offline anonymous voting, employees are encouraged to put forward reasonable opinions. With broader channels for collecting anonymous opinions, the Company keeps improving the opinion-collection and feedback mechanisms and strives to create a democratic, inclusive and positive working environment.

Optimal compensation and benefits system

We have established a comprehensive compensation and benefits security system. We sign labor contracts with all employees and pay employees on time and in full every month to protect their rights of remuneration for labor in accordance with the law. We've paid the old-age pension, medical insurance, unemployment insurance, and maternity insurance, workers' compensation, and housing provident fund for all our employees and paid Mandatory Provident Fund (MPF) for Hong Kong-based employees.

Meanwhile, we have established a supplementary pension insurance system and provided enterprise annuity for all employees. Our employees can enjoy statutory holidays and 15 days of paid annual leave. In 2022, the Company kept an eye on policies in human resources, provided accurate and easy-to-understand policy interpretation. In strict compliance with relevant policies and systems, we approved applications for various subsidies and safeguarded employees' immediate rights and interests.

Growth of Talents

Following the talent development principle of "respecting people's value, developing people's potential and sublimating people's soul", CR Enterprise actively carries out talent training practices and opens up career promotion to help employees realize their personal values.

Diversified training system



Talent training is the Company's top priority. We formulate and release the *CR Enterprise Management Measures for Employee Education and Training* and *CR Enterprise Rules on the Implementation of Trainees Management* to improve the employee education and training system. Considering the Company's regional focus, business characteristics and strategic positioning

of business development, and focusing on the three-level talent training programs of CRE Rising Star for management trainees, CRE Youth Talent for young business backbone and CRE Elite Talent for senior managers backup, we offer various talent training programs to create a graded talent training system and empower the growth of talents.

Case: CR Enterprise launches "International Lecture Series" special learning program for senior managers

In April 2022, CR Enterprise introduced the "International Lecture Series" of China Business Executives Academy, Dalian and launched the special learning program for senior managers. With 25 global live courses, the lectures systematically explained the overall planning and development focus in global political and economic changes, enterprise innovation and development, strategic thinking and management philosophy, technology frontier and future, helping more than 60 participants of management team members, senior managers and backbone professionals establish a global vision and way of thinking, thus enhancing the capability of the talent team.

Case: CRE Elite Talent Program for young managers training and CRE Youth Talent Program for young backbone training

In November 2022, CR Enterprise launched the CRE Elite Talent Program for young managers training and CRE Youth Talent Program for young backbone training. We selected the second batch of excellent young managers and the first batch of young backbone, with 30 people included into the Company's excellent young managers pool and 37 young backbone into the CRE Youth Talent Program. We organized the study of the guiding principles of the 20th CPC National Congress, the future development of Hong Kong, the CR history and culture, business integrity, managers management, development assessment, tools and methods of actions and learning, so as to improve the building of employee education and training system and help the growth and progress of talents.



Opening ceremony of the CRE Elite Talent Program for young managers training and CRE Youth Talent Program for young backbone training

Unblocked promotion channels

We evaluate and select talents in a scientific way and constantly optimize person-job matching. According to employees' personalized development wishes, they will be provided with development directions suitable

for their own situations. We open up a "dual-track" for career advancement to broaden the space for career development.



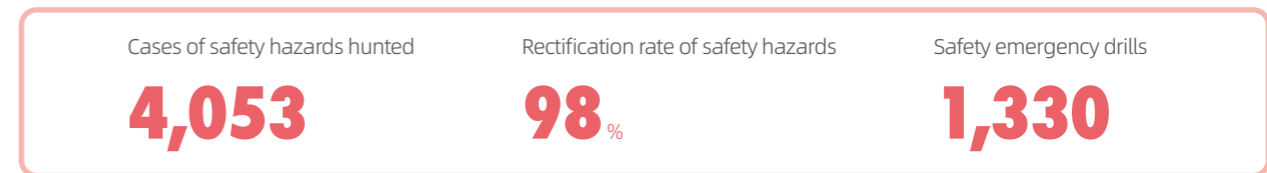
Health and Safety

CR Enterprise actively fulfills its responsibility for employees' safety. By improving EHS system, organizing training on work safety and publicizing knowledge on occupational disease prevention, we cement the awareness of safety culture in the Company to effectively protect employees' occupational health and safety.

Safety responsibilities

We prioritize employees' occupational health and work safety. In strict compliance with the *Law of the People's Republic of China on Work Safety*, *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other

laws and regulations, we build a firm line of defense for work safety, and implement the first accountability. In 2022, CR Enterprise invested HKD 14 million in work safety, and no casualties occurred.



Work safety management



We sort out and optimize EHS management system to establish a system library and organize internal audit of EHS system. 2022 CRE EHS Letter of Responsibility was signed. Besides, we carried out double-blind emergency drills for the first time to improve emergency response plans. By organizing regular EHS inspection and various special actions for work safety production, we have investigated and rectified problems and hidden dangers and strictly prevented and controlled work safety risks. In 2022, CR Enterprise boasted zero serious safety accidents.

Occupational health management



We organize employees to have regular health examinations. Through the publicity of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, safety and emergency drills, mental health education and other activities, we seek to strengthen employees' health awareness and emergency response capabilities. In 2022, CR Enterprise boasted zero occupational disease-induced accidents.



Signing 2022 GRE EHS Letter of Responsibility



Monthly EHS inspection activities

Case: Special emergency drill for fire and explosion accident

In June 2022, CR Logistics organized a special emergency drill for fire and explosion accident. The drill simulated how to block the affected site, control the fire with fire extinguishing facilities, urgently rescue the injured and evacuate the personnel in the storage area, as well as properly dispose materials as fire occurs in the logistics park, which effectively enhanced staff's ability to respond to sudden EHS accidents.



Firefighting drill in CR Logistics

Safety culture

In line with the CR's safety culture, we continue to strengthen our safety culture system building. Through holding various types of work safety education and training and special meetings, organizing thematic activities such as Fire Safety Day, International Day for Disaster Reduction and Traffic Safety

Week, and planning and launching EHS examination for safety responsible person for the first time, we endeavor to create a positive atmosphere for fulfilling responsibilities of work safety and enhance employees' awareness.



Convening of the 2022 EHS Conference



Held the EHS examination for safety responsible person.

Employee Wellbeing

At CR Enterprise, we are committed to enhancing employees' sense of happiness and highly value their physical and mental health. Focusing on the immediate interests of employees, we give prompt response to the demands of employees at all levels. We help solve challenges that our employees may encounter and be their sturdy foundation.

Employee care

CR Enterprise cares about the life and health of our employees, holding an online annual meeting, and innovatively setting up a virtual management team IP live to enhance team cohesion. Through the "Serve the People with Concrete Action" activity, we build employee canteens, and set up "Cheer Up Station" and "Loving Ma-

ternity Room" for employees. In addition, we organize legal popularization on protection of women's rights and interests to concern for female employees. We regularly visit retired employees and help families of employees in need, creating a warm and harmonious working environment for employees.

Case: Establishing the "Loving Care Service Station" for employees

In February 2022, CR Enterprise formally established the "Loving Care Service Station". Based on the Station, we actively carry out "CR with U" care activities, and colorful and healthy cultural and sports events to meet employees' demands. We also provide mental health assistance through the mind hotline, health consultation, on-site counselling and psychological status assessment to promote the physical and mental health of employees and enhance their sense of happiness and belonging.

Work-life balance

Putting people first, CR Enterprise sets up "Book House" and other spaces for employees' daily activities, and organizes col-

lective activities such as birthday parties, afternoon tea, sports competitions, etc. to share a colorful life with employees.

Case: CR Enterprise organizes a visit to the Hong Kong Palace Museum for 600 employees and their families

In September 2022, CR Enterprise held the "Meet with the Palace in Hong Kong" staff activity, organizing the visit to the Hong Kong Palace Museum for about 600 employees and their families. During the visit, materials about the Palace and cultural relics and exhibition introduction were provided to help employees understand the beauty of Chinese culture. There were also photography activities for family, favorite cultural relics, etc., to capture and record the beautiful moments in employees' lives, relieve the stress of employees and enrich their spare-time life.



"Working Together in Harmony, Warmth to Hong Kong" Exhibition Visit

Incubating Scientific Innovation



華潤科學技術研究院
China Resources Research Institute
of Science & Technology



華潤科學技術研究院 隆重開幕

CRE Responsibility

In 2022, based on the continuous optimization of product quality and customer service system, we embarked on a new journey to empower technological innovation and promote the transformation of scientific results, striving to become the booster of CR's incubation of new industries and the backbone of scientific research and innovation in Hong Kong, advancing the transformation and application of Hong Kong's I&T industry.

21.30 million
HKD R&D investment

355
Number of intellectual properties obtained

4
Number of patents obtained

GRI Indicators

416-1/416-2/417-1/417-2/417-3/418-1



Sci-Tech Innovation

Innovation is the first driving force to lead development. In response to the requirements of innovation-driven development strategy, CR Enterprise integrates and upgrades its digital intelligence management. We implement forward-looking major science and technology projects to enhance the capacity of independent innovation and promote the in-depth integration of innovation chain, industry chain and talent chain to assist Hong Kong in building an international I&T hub.

Management innovation

In 2022, we upgraded our internal management innovation mechanism on all fronts and released 3 technology innovation systems, namely *Regulations on the Management of Technology and Innovation Work of China Resources Enterprise, Limited (Trial)*, *Rules of Procedure of the Technology and Innovation Committee and the Standing Committee of the Technology and Innovation Committee of China Resources Enterprise, Limited (for trial implementation)*, *Guidelines for the Evaluation of Scien-*

tific Research Projects of China Resources Enterprise, Limited (for trial implementation). We set up the Technology Development Department, the Science and Technology Innovation Committee and Standing Committee to optimize the Company's top-level design. Besides, we established a monthly/quarterly reporting system for sci-tech projects to regularly summarize and report on the advancement of these projects, so as to promote the development of the Company's I&T innovation.

Innovative and upgrading internal operation management of CR Enterprise

- Financial shared system**
 - o Launching financial reimbursement platform to realize inter-connected with MDM, LDAP, fund management, CR travel, financial accounting, BI and other systems and optimizing reimbursement procedures and the control system through digital means.
 - o Optimizing contract management, check platform, tax-related income business, shared remittance process of returned orders, shared operation performance management, mobile reimbursement, asset interface, FMS GL, etc. to improve work efficiency.
 - o Launching RPA shared robot to save labor costs.
- HR system**
 - o Launching HR system to optimize self-service payroll inquiry, passive dismiss procedure, payroll report, attendance, automatic salary calculation, medical allowance management and other functions for employees to refine assessment management.
- EHS management system**
 - o Guided by the "321" industrial roadmap, frequently applying the basic functions of the system to solve the process management and risk identification and achieve daily supervision and control.
 - o Introducing the IOT and AI technology to realize automatic identification of key risks, smart early warning and monitoring and remote emergency response in pilot enterprises, building a management information platform interconnected with the CR's EHS management information platform, so as to realize digital, intelligent and mobile EHS management.

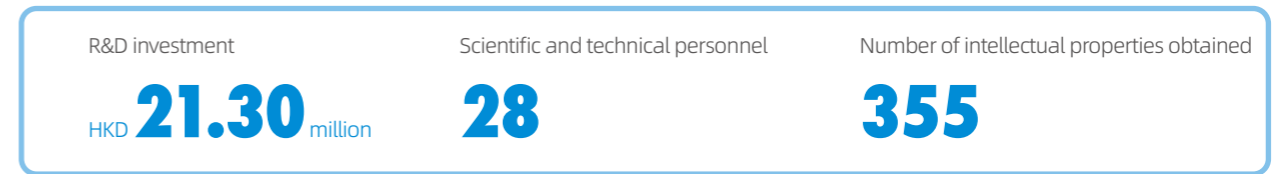
Sci-Tech innovation

Upholding the core value of "innovative development", we allocate resources based an overall plan, build cooperation platforms, transform scientific research results and introduce international talents. In 2022, after taking over the China Resour-

ces Research Institute of Science and Technology, we achieved new breakthroughs in sci-tech projects and scientific innovation investment.

Case: Pacific Coffee applies intelligent innovation of 5G cloud WIFI

In 2022, cooperating with China Mobile Hong Kong, China Resources Research Institute of Science and Technology applied the 5G mobile cloud WIFI technology in about 120 Pacific Coffee stores in Hong Kong. Cloud WIFI can provide a unified intelligent backend, which is convenient for staff to check the network of stores in a one-stop manner and realize intelligent remote control and data analysis. Besides, through the backend data board, they can monitor the installation of Pacific Coffee stores and understand the distribution and status of cloud WIFI. While improving network speed, 5G cloud WIFI can strengthen network reliability and convenience, solving the pain point of limited monitoring capability of stores due to geography and boosting the smart marketing of Pacific Coffee.



Quality Upgrading

Guided by the concepts of craftsmanship and quality, CR Enterprise puts product quality and customer service in the first place. We sustain to improve the product quality system and advance the capability of dedicated personnel related to product quality and safety to promote product safety culture. By opening up diversified communication channels and further improving consumer service experience, we work to increase consumer services level.

Product management

We value product quality. Complying with national laws and regulations and relevant standards, we establish quality and food safety management system in line with CRE's own actual business by benchmarking with international advanced prod-

uct management system experience. With an emphasis on risk control, we set up quality standard system covering 100% of our own products for internal control in the whole industrial chain, so as to constantly improve product quality and safety.



Case: Runping Investment improves quality inspection and product recall procedures

In accordance with the *Measures for Food Production Licensing*, Runping Investment has improved the internal control quality management standard system involving raw materials, food, consumables, commodities and other materials. In the process of supply chain management, all suppliers are required to provide third-party type inspection reports as approval conditions for the introduction of commodities, so as to approve and control product introduction. It has also established product recall mechanism and regular carried recall drills internally to further improve the product quality management level.



Products and services accessibility

Making use of our own resources and positioning strength, we actively advance development in various industries under the Company to meet the diversified needs of consumers. By grasping market expansion opportunities, joining hands with

partners and integrating corporate resources, we enhance the accessibility of our products and services to meet more consumers' aspirations for a high-quality life.

Case: Holding equity of OATLY, CR Enterprise pioneers in China's oat plant-based ice cream and tea beverage market

In August 2022, OATLY launched plant-based ice cream with 0 lactose and 0 trans-fat, pioneering the oat plant-based ice cream market in China. With a focus on the tea beverage and baking fields, it intensified market research and survey. Cooperating with new tea beverage brands, OATLY launched novel products such as Tea Master Oat Milk, grasping market trends and responding to consumer needs.



Quality Services

CR Enterprise is always dedicated to providing customers with top-notch services. We improve customer information management mechanism to protect customer information. Additionally, we strengthen product promotion and knowledge sharing while strictly prohibiting false advertising. Through proactive after-sales services, regular satisfaction surveys, unblocked complaint channels and prompt response, we strive to boost customer satisfaction and their sense of gain.

Excellent customer service

In CR Enterprise, customer satisfaction is our highest pursuit and we constantly optimize our customer service system. By establishing sound after-sales service mechanism, promptly handling customer feedback and opinions, we continue to improve

customer satisfaction. With digitalized service management and improvement, we provide consumers with quality and personalized services.

Case: CR Logistics takes multiple measures to add new momentum to customer business development

In 2022, container freight rates fluctuated and profound changes unfolded in the market environment. Delving into the network of shipping suppliers, CR Logistics paid close attention to data fluctuations and price changes of shipping companies, and actively assumed the role of bridge in the shipping business chain. By coordinating and matching the respective needs of upstream and downstream suppliers and customers, it helped customers withstand fluctuations in shipping industry and saved a lot of costs for customers, effectively promoting the connectivity between the domestic and the international market.

Case: Pacific Coffee (Hong Kong and overseas) uses digital applications to improve service efficiency

Pacific Coffee (Hong Kong and overseas) has adopted the POS digital system. It adds handheld terminal ordering and tablet ordering functions in the system, which greatly improves the service efficiency of staff in the store. With newly added QR code ordering and autonomous screen ordering functions, the efficiency of consumer ordering and user experience have also been greatly increased. Consumers can save their time in waiting in line and ordering, and experience digital and convenient consumption services, with a 100% increase of user-friendliness.

Protection of consumer rights

We standardize sales behavior in line with *China's Anti-Unfair Competition Law* and set uniform prices for all sales channels across China. We prohibit false or misleading publicity and issue warnings of potential product risks. We inform others of our

products, and protect consumers' access to facts, independent choices, and fair trade. We establish consumer privacy protection mechanism to safeguard their basic rights and interests.

Subordinate coffee business takes multiple initiatives to protect the rights and interests of consumers

Prohibiting false advertising

Stating clearly the origin of raw materials and the authenticity of awards in product introduction, strictly checking and verifying award information, and timely updating the corresponding promotional materials according to the different batches of awards

Labeling "actual products may vary" in the product promotion pictures, and adding promotion words like "consulting the store staff for details and "not available in certain stores" to avoid customer complaints caused by misunderstanding

Issuing warnings of potential risks

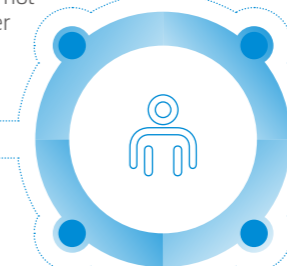
Indicating alcohol, allergic ingredients and other added raw materials that concern consumers in the product posters, to warn consumers about risks

Accepting public supervision

Keeping same prices of the same product specifications in chain stores, and putting quality and price supervision and reporting phone number on menu boards and price tags in stores to accept public supervision

Dealing with complaints

Improving 400 customer service telephone number management in Pacific Coffee and establishing complaint response mechanism. A total of 59 customer feedback and complaints were received, 59 of which have been resolved, with a 100% complaints resolution rate.





Collaborating with Partners

17 PARTNERSHIPS FOR THE GOALS



香港科技大學 THE HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY

CRE Responsibility

Following the principle of mutual benefit and win-win results, CR Enterprise carries out in-depth strategic cooperation and exchanges and actively implements government policies, so as to build long-term and stable partnerships with various stakeholders and promote information and resource sharing. We improve public information disclosure mechanisms and expand publicity channels through media exchanges to enhance brand publication and influence and establish a responsible corporate image.



10
Total number of MOU signed*

100 %
Economic contract performance rate

100 %
Responsible procurement ratio

GRI Indicators

417-1

Note: The statistics period is 2021-2022

Win-Win Cooperation

Taking common development of the society as its own responsibility, CR Enterprise keeps expanding the scope of business cooperation, exploring innovative ways of cooperation and building communication platforms. Joining hands with the government, internal and external enterprises, universities, research institutes and other partners, we forge long-term strategic cooperation at a higher level.

Government-enterprise cooperation

To fully implement the policies and plans and actively respond to the call of the government, we deepen and expand the gov-

ernment-enterprise cooperation and empower regional economic development.

Case: CR Runxiang Alliance Fund invests in the infant food supplement brand Enoulite

CR Runxiang Alliance Fund (hereinafter referred to the Fund) is a private equity fund jointly established by CR Enterprise, CR Capital, and Hunan Provincial Finance Management Platform – Hunan Chasing Financial. In January 2022, after conducting comprehensive survey on upstream and downstream high-quality enterprises in the agricultural and consumer supply chains of Hunan Province, the Fund completed its strategic investment in the infant food supplement brand Enoulite. Through equity investment in enterprises of Hunan Province, the Fund empowered enterprises with more development channels and helped the building of agricultural and consumer industry supply chain in Hunan.

Cooperation with other companies

Insisting on synergy and cooperation, we take the initiative to match the demands of the Company and other enterprises to carry out extensive cooperation, explore new

ways of business development and share resources, thus achieving win-win results.

Case: CR Enterprise signs a joint venture agreement with Fung Investments to set up a USD 300 million investment platform

On May 5, 2022, CR Enterprise and Fung Investments officially signed a joint venture agreement to set up a USD 300 million investment platform with a 50% contribution from each side, investing in brands, products, services and innovative technologies that enable healthy and fashionable lifestyles in the GBA. They will also introduce high-quality brands, products, services and innovative technologies to the Chinese market through the supply chain strength of both sides.



Industry-university-research cooperation

We highly value strategic cooperation with universities and keep enhancing communication with research institutions. Leveraging the resources of both sides, we

promote the quality and efficiency of the transforming scientific research results, making CRE contributions to the high-quality development of the industry.

Case: CR Enterprise and HKBU sign an MOU to explore the establishment of a joint innovation center

On May 26, 2022, CR Enterprise and Hong Kong Baptist University (HKBU) signed a MOU of cooperation and a letter of intent. During the five-year cooperation period, CR Enterprise will invest HKD 50 million and offer market demand and industry knowledge, industry resources as well as management experience to drive relevant cooperation projects. Meanwhile, HKBU will utilize its academic and scientific research resources, as well as relevant education, research and development, and medical organization networks to promote related collaborations. HKBU and CRE will also explore the possibility of establishing the HKBU-CRE Joint Innovation Centre on Smart Chinese Medicine together to take forward related collaborative research, technology development, application and commercialization initiatives, and promote the digitalization, standardization and internationalization of Chinese medicine.



Signing ceremony of CRE-HKBU MOU of cooperation

Case: CRE and HKUST sign an MOU with the focus on molecular neuroscience, sustainability and microelectronics science

On November 18, 2022, CR Enterprise and the Hong Kong University of Science and Technology signed an memorandum of cooperation. The two sides will combine the strengths of CRE's industry resources and HKUST's scientific research achievements to set up a joint project to carry out long-term strategic cooperation in the fields of molecular neuroscience, sustainability science and microelectronics, promoting the commercialization of scientific research results, and helping Hong Kong become an international I&T hub.



Signing ceremony of CRE- HKUST MOU of cooperation

Media Exchanges

CR Enterprise maintains communication with all sectors of society by diversifying communication channels. We strengthen brand publicity, increase the frequency, improve communication quality and receive media supervision. In 2022, we published 130 news about the Company, nearly 120 various business and cultural publicity, and 102 postings on the official website portal, WeChat official account, official video account, Facebook page and other media channels, covering important development, stories of employees, social responsibility fulfillment and cultural activities. Through advertising, writing columns and features, we have established regular contact with the central media in Hong Kong, such as China News Service Hong Kong, Xinhua News Agency (Asia-Pacific Branch) and CCTV (Asia-Pacific Branch), to expand media cooperation channels, thus further strengthening the dissemination of information and brand publicity through public channels and enhancing the comprehensive influence of the Company both at home and abroad.

Building Harmonious Community

1 NO POVERTY
2 ZERO HUNGER
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITY AND COMMUNITIES

CRE Responsibility

Undertaking the responsibility of "creating a better life together", CR Enterprise proactively practices national major strategies and policies to facilitate the development of the Greater Bay Area. We open up career paths for Hong Kong youths and help them serve GBA's development. Dedicating to serving the society, we endeavor to improve the people's livelihood at the primary level and make concerted efforts to build a better tomorrow for Hong Kong.

33 million
HKD Total taxes paid

1.378 million
HKD Donations for charity and paired assistance

1,274
Number of jobs created

GRI Indicators

203-1/203-2/413-1/415-1



GBA Development

CR Enterprise prioritizes "supporting Hong Kong's economy and serving Hong Kong's people" in its social responsibility fulfillment. Taking the new development opportunities in the new era, under the new pattern and concept, we actively advance business development that enables consumption upgrading and healthy lifestyles, to improve Hong Kong people's wellbeing and their needs for high-quality life and promote the economic development of the Greater Bay Area.

Case: CR Logistics acquires Sha Tin and Chai Wan warehouses from Kerry Properties

On June 8, 2022, to fully implement CR's GBA development strategy, CR Logistics purchased two warehouses in Sha Tin and Chai Wan from Kerry Properties for the aggregate consideration of HKD 4.62 billion, with an increased storage area of approximately 930,000 square feet. By doing so, CR Logistics further expands its operations and assets scale, continuously improving the regional business layout and stimulating the development of the logistics industry in the Greater Bay Area.



Signing ceremony of CR Logistics and Kerry Properties sales agreement

Case: CREP acquires Wan Tau Tong Square in Tai Po, Hong Kong

On June 21, 2022, CREP acquired the Wan Tau Tong Square in Tai Po, Hong Kong, and 438 car parking spaces with a total construction area of approximately 240,000 square feet. The mall covers dining outlets, supermarket, convenience store, clinic, pharmacy, community services and education centers. While providing a convenient shopping experience and daily life services to over 30,000 residents, it also focuses on community livelihood and contributes to Hong Kong's social stability and economic prosperity.



Wan Tau Tong Square in Tai Po, Hong Kong

Community Engagement

Based on social concerns in Hong Kong, CR Enterprise builds a responsibility fulfillment system for young people's schooling, employment and entrepreneurship to help them grow and provides a platform for them to give full play to their strengths, contributing to a better Hong Kong with diversified community activities. In 2022, local employees accounted for 95.2% of the total.

Guided by the talents planning during the 14th Five-Year Plan period, the Company expands recruitment channels and openly recruits professionals, technological talents, skilled talents, young talents and other exceptional local talents in Hong Kong to promote talent pool building in Hong Kong.

Case: Pacific Coffee launches the "Grow with Us" job experience programs

Pacific Coffee attaches great importance to the development of young talents in Hong Kong. By launching the "Grow with Us" job experience programs, which include "Summer Internship Experience for College Students", "Job Shadowing" and other short-term social practices, Pacific Coffee offered different summer jobs with different duration to secondary school students and undergraduates in Hong Kong, cultivating the awareness of career planning among teenagers and contributing to their career development.



"Job Shadowing" job experience program

Case: CR Enterprise releases the "Art Café by Pacific Coffee" shared coffee shop project to enhance the cultural atmosphere of the community

In 2022, CR Enterprise and Pacific Coffee jointly announced the "Art Café by Pacific Coffee" shared coffee shop project. Through this project, cultural groups and individuals are provided with free venue for their art show and performances, including but not limited to various quiet workshops, as well as dynamic experiences such as singing, dancing and music performances. Pacific Coffee signed a long-term strategic cooperation agreement with ADAM Arts Creation (hereinafter referred to as "ADAM"), the first resident arts and cultural group, and donated HKD100,000 to ADAM to support the organization of "Art Café by Pacific Coffee x ADAM" and other recreational and art activities related to arts with the disabled, bringing art culture to the community.



Signing ceremony of the tripartite strategic cooperation



Designated store of Pacific Coffee

Charitable Cause

Giving full play to its resource advantages, CR Enterprise helps farmers increase income through consumption, consolidating the results of poverty elimination and boosting rural vitalization. We set up the "CREP Volunteer Team" to carry our volunteering activities, promoting people's well-being and contributing to the society.

HKD 1.378 million
Donations for charity and paired assistance

Case: Expanding product sales channels and boosting rural vitalization

In September 2022, CR Enterprise Smartech formed a technical team to boost rural vitalization. Based on its own digital marketing platform and technical capabilities, the team developed an e-commerce platform applet "Fangshan Local Specialty Shop", which is a sales platform for agricultural products, for Fangshan County, Lvliang City, Shanxi Province within 2 weeks. After launching the applet, more than 2,000 orders were made, reaching over RMB 200,000 of sales, which helped local farmers get rid of poverty and thrive.

Case: CREP launches series community charity activities themed by "Working Together for a Better Community"

In 2022, in collaboration with charitable organizations and social groups from all walks of life in Hong Kong, CREP, based on the "CREP Volunteer Team", held 23 community charity and volunteer activities, such as sending Zongzi to residents, Yan Chai Hospital caring for the elderly and sending daily supplies, and sending winter supplies, devoting itself to charity and public welfare activities and conveying its care for the society.



CREP Volunteer Team and Hong Kong Rehabilitation Power visit Hong Kong Palace Museum



Distributing medical supplies at the primary level communities



Volunteer activity of sending Zongzi to residents



Stress relief activity in Wan Tau Tong Square

Caring for the Elderly

Upholding the concept of respecting and caring for the elderly, CR Enterprise is committed to meeting the both material and cultural needs of the elderly, providing them high-quality elder care facilities and diversified services, thus helping the elderly enjoy a healthy and happy life in their old age.

50

Elderly nursing homes in operation

9,000

Beds under management

Case: CR Verinvest holds a series of activities to celebrate the Double Ninth Festival

In October 2022, Hongri Health Care Group in Shanghai, Yihe Nursing Home in Guangzhou, Huafang Old-age-care in Beijing, Born Nursing Home in Chengdu and Hezhan Elder Care in Chongqing, the high-quality old age care service enterprises under CR Verinvest, held a series of activities to celebrate the Double Ninth Festival. They organized group activities for the elderly such as cultural and art performances, happy bazaar, star buffet and fun games, elevating the festive atmosphere among more than 100 elderly people and further improving their quality of life.



Double Ninth Festival activities in Guangzhou Yihe Nursing Home



Double Ninth Festival activities in Beijing Huafang Old-age-care



Double Ninth Festival activities in Chengdu Born Nursing Home



Double Ninth Festival activities in Chongqing Hezhan Elder Care



Double Ninth Festival activities of Hongri Health Care Group in Shanghai





 **ESG Story**

CR Enterprise Conveys the Concept of Responsibility and Wins Multiple Awards on Sustainability

With its tireless efforts and practical achievements in industrial innovation, youth work, and "Three Focuses" on education, employment and entrepreneurship, CR Enterprise strives to solve problems for Hong Kong people's livelihood with accelerated investment and mergers and acquisitions of livelihoods projects, and actively pro-

notes the economic development of Hong Kong and even the Greater Bay Area. The Company fully implements key national strategies, responds to the development plans of the Hong Kong SAR government, and enhances Hong Kong's competitiveness, winning multiple awards for sustainability.

We obtained the "2022 Corporate Social Responsibility Award in the Greater Bay Area of 100% HK Branding Award" selected by the Greater-China Association of Branding Industry and the 2022 100% HK Branding Award Committee to be praised for our contributions to social harmony and sustainable development.

We received the Greater Bay Area Leading Enterprise Award of 2022 Standard Chartered Corporate Achievement Awards organized by the Standard Chartered Bank (Hong Kong) Limited and co-organized by the *Hong Kong Economic Journal* to be recognized for our outstanding performance in the Greater Bay Area.

We received three awards of Outstanding Greater Bay Area Enterprises organized by Metro Finance: the Social Sustainability Award (Industry, Innovation, and Infrastructure), the Green Sustainability Award (Climate Action), and the Enterprise Governance Award.



Prioritizing Development through Investment Transition



CRE Responsibility

We positively practice the sustainability concepts and continuously deepen social responsibility management and practices. We also practice business ethics and responsible and transparent operations, maintain solid internal risk prevention and control, promote sound development, and share sustainable development results with stakeholders.

51.404 billion
HKD Total assets

2.254 billion
HKD Operating income

100 %
Value preservation and value-added rate of state-owned assets

29.304 billion
HKD Owners' equity

GRI Indicators

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



Corporate Governance

High value is placed on responsibility fulfillment in accordance with laws by CR Enterprise. The Company keeps consolidating the level of corporate governance, builds a sound and higher-efficient governance structure and mechanism, and improves the strategic framework of risk management to return investors with better business performance.

Sound governance system

Striving to establish a corporate governance system that fits into our image as an international company and obeying relevant national laws and regulations and the articles of association, we have established a complete and effective corporate governance structure and rules of procedure at all levels. Based on the clear rights in decision-making, execution, and supervision, we have developed a science-based and standardized division of responsibilities and checks & balances.

The Board of Directors, as the Company's decision-making body, adheres to scientific, democratic, and legal decision-making. Within the authority specified in the Company's articles of association, the Board decides major issues such as annual development strategies and plans through board meetings or written resolution signing and timely adjusts the scope of deliberation to ensure independent, standardized, and scientific operation.



Perfecting systems

- We have revised the *Articles of Association* by considering the requirements of SOE reform and clarifying the responsibilities, position, organizational structure, and meeting rules of the Board of Directors, the rights and obligations of directors, and the responsibilities and management scope.
- We have taken the implementation of the three-year action of SOE reform as an opportunity, fully considered the social environment in Hong Kong, and solidly promoted the construction of a modern enterprise system with Chinese characteristics. A governance system has been formed by taking the *Articles of Association* as the top-level guidance, the *"Three Major and One Large" Decision-Making Policy*, the *Authorization Management System of the Board of Directors*, and the *Directors and Supervisors Management Measures* as basic principles, and *Board Meeting Rules* and the *Employee Duty Manual* as the support.

Improving governance efficiency

- We have established the Audit and Risk Management Committee and the Remuneration and Assessment Committee under the Board of Directors with all members as external directors to ensure independence in responsibility fulfillment.
- We have delivered the policy of diversity in professional experience, gender, and capabilities of the Board and maintained diversity and complementarity to optimize director allocation. A new director, with a Doctor of Laws degree and as a member of the Hong Kong Legislative Council has been added.
- For subsidiaries, we have dispatched external directors who are helpful in corporate capabilities and resources, held the first director training, and established a guarantee mechanism for responsibility fulfillment to collaboratively create value-creation Boards.

IR management

In strict accordance with relevant laws, regulations, and rules, we put a high value on the protection of the rights of small and medium investors, guarantee their rights to know, participate, benefit, and supervise, and maintain stable and harmonious investor relations (IR). We keep high-quality disclosed information and regular communication, timely

update our latest progress on our official website, official WeChat, and other promotional channels, regularly release relevant reports on our performance to the public, and improve information transparency and credibility in the capital market to boost investor confidence. In 2022, no significant penalties for violating information disclosure regulations occurred.

Sustainable investment

We rely on the "321" business development roadmap and focus on sustainable development in industrial investment to support the development of industries and enterprises conducive to climate change mitigation, build a warm society through

investment, and explore sustainable solutions with holding enterprises to jointly create a green, low-carbon, diverse, and harmonious future.

<p>In the elderly care industry</p> <p>the joint-stock enterprise CR Verinvest operates over 40 elderly care institutions with the continuous provision of high-quality, safe, and scientific services and is committed to building a respected brand for and China's largest operation platform for elderly care service.</p>	<p>In the catering industry</p> <p>the joint-stock enterprise OATLY, leading the Swedish food industry, has 100% renewable electricity purchased by all its plants and is committed to reducing its carbon footprint by 70%. With receiving the "2022 Responsible Brand Award of the Philanthropy Festival," the enterprise promotes sustainable development and environmentally friendly lifestyles and concepts.</p>	<p>In the retail industry</p> <p>the joint-stock enterprise City Super together with Food Angel held the Chef Polar charity sale. Over 111,000 food packages have been distributed for free to families in need, more than 184 tons of remaining food safe to be eaten have been recycled, and over 281,000 food containers have been produced for those in need.</p>
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Integrity and Compliance

Integrity and compliance are a cornerstone for stable and sustainable businesses. CR Enterprise strictly sticks to the bottom line of integrity, strengthens the construction of integrity and compliance, and pays high attention to the risk management and internal control, both at the headquarters and subsidiary levels, to ensure long-term corporate compliance.

Compliance risk management

Highly valuing responsibility fulfillment in accordance with laws, we perfect our compliance system, establish a mechanism to regularly monitor, track, and report major risks, improve risk pre-

vention and control, and continue to improve the effectiveness of our internal control system.

Compliant operation

- We have explored to construct a legal compliance risk control management system that integrates laws, compliance, internal control, and risk management to further implement the requirements of governing enterprises according to laws.
- We have strictly conformed with China's *Anti-Unfair Competition Law* and *Anti-Monopoly Law* and relevant business regulations to maintain market competition in a fair and just way.
- We have followed Chinese laws such as the *Trademark Law*, the *Patent Law*, and the requirements of the *Intellectual Property Management System*, strengthened CRE trademark management and authorization, and protected the intellectual property rights of CR Enterprise and our partners.
- We have assessed major risks and 11 ones were identified in 2022 through checks, analysis, scientific identification, assessment, and prediction. Response measures have been developed and responsible departments have been clarified to ensure major risk management through a quarterly monitoring and reporting mechanism.
- We have implemented China Resources' *Foreign Anti-Commercial Bribery Compliance Management System* and use the third-party due diligence and commitment mechanism of compliance for the first time in Tomakin NO.3 and Tomakin Ruixue projects, effectively reducing compliance risks.
- We have strengthened the audit compliance of key procurement projects and the supervision of procurement compliance and standardization, and raised employees' awareness of compliance through case presentations, training, and exchanges.

Internal control optimization

- We have improved our management by benchmarking with world-class companies in 2022 and comprehensively promoted corporate management capabilities through 25 internal surveys and the selection of 3 model projects and 1 model enterprise.
- We have carried out comprehensive governance special actions in 2022 and inspected and corrected ourselves in business compliance, financial and accounting information quality, state-owned property management, investment, debt risk, and tax payment according to laws.
- We have had self-assessments of the internal control system for key links such as investment, procurement, receivables, fund management, and network security. No major defects were found.

Consciousness enhancement

- We have carried out publicity and education activities covering the *Constitution of the People's Republic of China*, the *Basic Law of the HKSAR*, and the *Law on Safeguarding National Security in the HKSAR*. Three lectures for law popularization have been held for CR Enterprise and all employees of its profit centers to strengthen their rule of law awareness.



CRE warning and education conference

Business ethics

We comply with business ethics and market rules and prevent corruption, embezzlement, bribery, and fraud through strength-

ened management. In 2022, CR Enterprise had no lawsuits of corruption and bribery.

Integrity building

- We have reviewed our inspections and rectifications, rectified 43 issues, and implemented primary responsibility.
- We have held three warning and education conferences, collaborated with external resources such as the Independent Commission Against Corruption in Hong Kong and combined with internal violations, to set up a solid bottom line and red line.
- We have actively carried out "CRE Integrity Education" monthly education and publicity activities in Hong Kong and special integrity education courses for 67 young managers and key employees. An integrity environment is formed by promoting regulations and systems, releasing Cantonese works of integrity education, reminding new senior managers of integrity, and conducting integrity education and training for new employees.

"Overall Supervision" system

- We have focused on the effectiveness of overseas supervision to develop an annual implementation plan for the "Overall Supervision", carried out comprehensive governance special actions, promoted special supervision such as power abuse rectification, and solidly built the "three lines of defense" on the overseeing of supervision, functions, and businesses.

Feedback and whistleblowing

- We have zero tolerance for corruption and embezzlement. Our whistleblowing phone number and email are publicly available on our website. Both internal and external personnel can complain and report dishonesty, power abuse, violations of discipline, etc. by our employees, units, or departments.

Responsible supply chains

We improve our procurement management system and supplier management mechanism, review suppliers' qualifications and conduct on-site visits for high-risk suppliers, and require suppliers to sign and abide by the *Transparent Declaration* to

construct clean supply chains. We also advocate for local procurement in Hong Kong, promote suppliers to fulfill their social responsibilities, practice green procurement, and partner with suppliers to obtain mutual benefit and win-win results.

Supply chain management

We have set up a supplier management working group to continuously improve the management systems. Digitized and transparent procurement is strengthened by requiring all collaborated and interested suppliers to sign the *Transparent*

Declaration which is incorporated into procurement documents and contracts to build a resilient and transparent supply chain ecosystem.



In the Chinese mainland, we have comprehensively promoted the electronic procurement business, launched the CR e-procurement platform, and optimized procurement processes and costs, with a total of 1,431 sporadic procurement.

In Hong Kong, we have established the CR international procurement and trading platform (CR SHOUZHENG Electronic Procurement Platform Hong Kong) and filled in the gap of overseas e-procurement platforms.



Responsible procurement

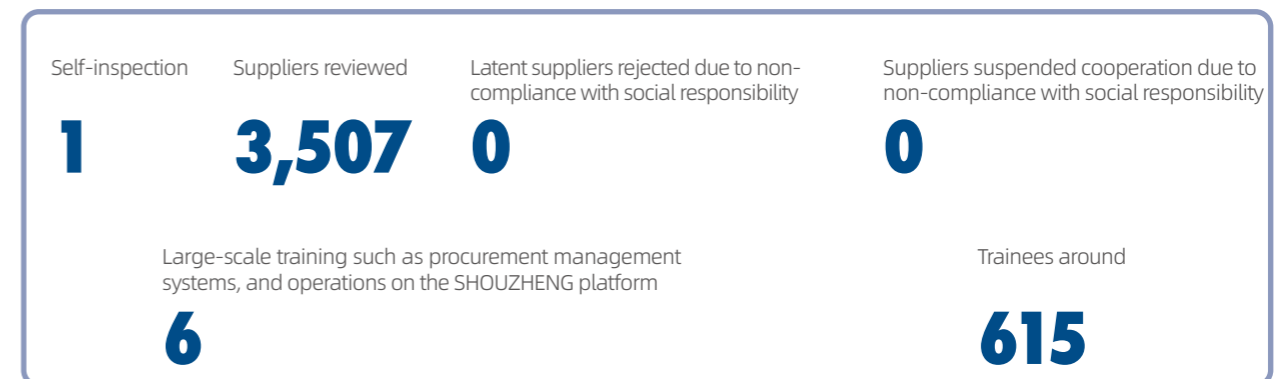
We apply the concept of responsible procurement to entire operations and supply chains by evaluating the social and environmental performance of suppliers and purchasing environmentally friendly raw materials. We also strictly prevent

suppliers from violating human rights, using child labor, etc. and improve the social responsibility management mechanism of supply chains.

Procurement evaluation	Green procurement	Capacity enhancement
<ul style="list-style-type: none"> In accordance with the <i>Supplier Management Measures</i> and <i>Suppliers EHS Management Measures</i>, we review and evaluate suppliers during their access, selection, and cooperation to identify and control their possible negative impacts on society and the environment and develop a <i>Qualified Supplier List</i>. Unqualified suppliers will be eliminated or prohibited and suppliers' ability of responsibility fulfillment is improved by our annual cooperation assessment, comprehensive evaluation, and misconduct management. 	<ul style="list-style-type: none"> We source and adopt eco-friendly raw materials, promote green packaging and transportation, set up supplier selection and certification standards, and call for suppliers to strengthen environmental protection. We actively conduct site inspections of suppliers and strengthen environmental audits in strict accordance with the <i>Supplier EHS Management Measures</i>. 	<ul style="list-style-type: none"> We group procurement evaluation experts, regularly inspect ourselves in procurement management, and strengthen fair competition reviews. We have developed the <i>Task List for CR Enterprise to Assist Small and Medium-sized Enterprises in Difficulty Alleviation and Collaborative Development Promotion</i> to actively purchase high-quality products and services of those enterprises and support the diversified development of suppliers. We strengthen communication with business partners and improve compliance awareness of procurement personnel and suppliers through supplier training and the publicity and training of procurement mechanisms.

Case: CR Enterprise holds 2022 Procurement Management Conference

In December 2022, CR Enterprise held the 2022 Procurement Management Conference and expressed recognition for establishing a sound procurement system, solving bidding and procurement problems, and building and using the CR SHOUZHENG Electronic Procurement Platform Hong Kong. A total of 152 relevant leaders and procurement personnel attended the conference. In the future, the Company will continue to strengthen basic procurement management and supply chain management and enhance compliance awareness of all employees to jointly build more sustainable and resilient supply chains.



Responsible Management

CR Enterprise improves sustainability management, strengthens the important role of the Board of Directors in sustainable management, and promotes the integration of sustainability concepts with corporate strategies, philosophy, production, operations, and management.

Responsible Strategy

Committed to the CSR mission of "leading business progress and creating a better life together with consumers, shareholders, employees, and business partners", CR Enterprise sticks to the core values of "honesty and integrity, performance orientation, people first, and innovative development". We fulfill social responsibility in the organizational atmosphere of "sincerity, unity, openness and ambition". We create the

economic benefits while balancing environmental and social benefits, and actively respond to the expectations of stakeholders such as shareholders, employees, customers, the environment, partners and the public, so as 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".

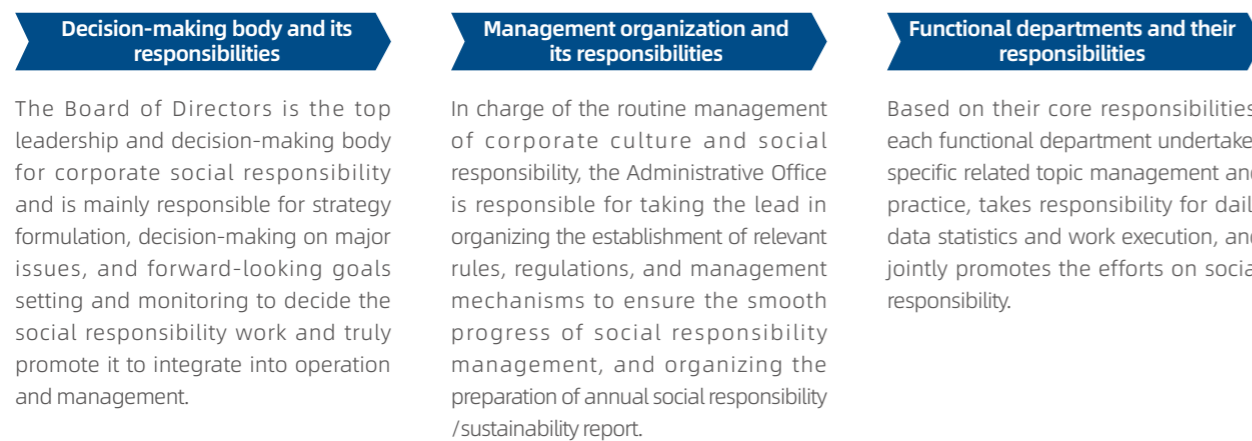


Responsible organizations

In line with the *China Resources Group CSR Management Measures*, CR Enterprise carries out its own CSR management and practices and forms a three-level management structure of decision makers, managers, and executors. With the specified

scope and content of social responsibilities at each level, we have formed an efficient management organization structure and governance system.

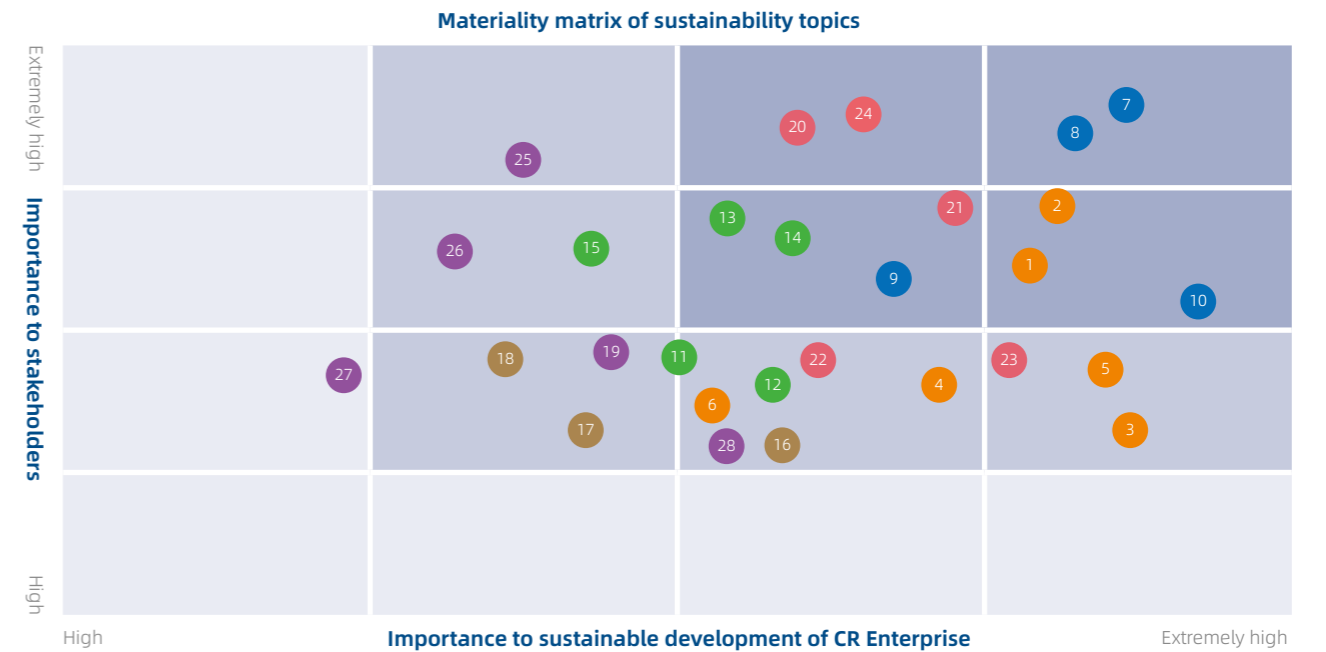
Organization system of CRE social responsibility management



Topic Analysis

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

collected 124 *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.



● Governance responsibility 1-6 ● Customer responsibility 7-10 ● Environmental responsibility 11-15 ● Partner responsibility 16-19 ● Employee responsibility 20-24 ● Public responsibility 25-28

1.Integrity and compliance management	2.Improving quality and efficiency	3.Strengthening risk prevention and control	4.Protecting investors' rights and interests	5.Improving information disclosure
6.Safeguarding intellectual property	7.Sci-tech innovation and R&D	8.Providing quality product and service	9.Protecting the rights of customers	10.Responsible investment and industry incubation
11.Addressing climate change	12.Improving environmental management	13.Spreading environmental protection concepts	14.Implementing green and low-carbon development	15.Strengthening biodiversity conservation
16.Promoting social responsibility fulfillment along supply chains	17.Deepening strategic cooperation on technological innovation	18.Pursuing cross-industry innovation collaboration	19.Conducting media communication	20.Diversity and equal opportunity
21.Strengthening the protection of employee rights and interests	22.Valuing employee growth	23.Employee wellbeing and care	24.Guarding occupational health	25.Serving Hong Kong's prosperity
26.Community education and cultural building	27.Job creation and skill improvement	28.Engaging in charity cause		

Responsible culture

In accordance with the *China Resources Group CSR Management Measures*, CR Enterprise incorporates social responsibility efforts into annual plans, centers around key areas of related practices to carry out its characteristic projects, and takes into account the demands of all shareholders. We

continue to improve social responsibility management, the indicator system, and the theoretical research. We also actively apply for CSR awards and find and promote good CSR practices from all business sectors.

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 man-

agement. 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

"Restructuring" and "innovating" are keywords for CR Enterprise in 2022. We keep our strategic position as "CR's industrial investment platform in Hong Kong" and rely on our positioning of Hong Kong as an international I&T hub to undertake the CR Research Institute of Technology and Science affiliated with CR. Combining our own business advantages, we will gain the key role in the integration of "capital, technology, and industry", and help Hong Kong develop into an international I&T hub.

Economic responsibility

We will innovate and restructure our business sectors, strengthen risk prevention and compliance management, and firmly prohibit actions in violation of business ethics. We will also accelerate the reform, innovation, and industrial structure adjustment to promote the rapid incubation of emerging industries. What's more, we will improve the sustainability and CSR management to deeply integrate sustainability concepts and practices into our business operations and development strategies.

Environmental responsibility

We will adhere to the concepts of green, low-carbon, and sustainable development to protect the green ecological environment. We will develop special action plans for carbon peaking with multiple measures to respond to climate change, and practice green operations and management to explore more feasible solutions for green packaging. Our environmental responsibility will be integrated into corporate culture and values by promoting green offices and organizing environmental public welfare activities.

Customer responsibility

Guided by the concepts of craftsmanship and quality, we will improve our product quality and safety system and customer service system to provide customers with better quality products and more thoughtful services. We will also focus on technological innovation to increase investment in R&D, actively promote the transformation and application of more R&D achievements, and help Hong Kong's scientific research industry flourish.

Partner responsibility

We will expand our outreach on I&T cooperation, build a research-sharing platform, and work together with partners such as the government, enterprises, and research institutions to create a new ecosystem of science and technology innovation with external collaboration. We will also carry out responsible procurement and improve the procurement management system and supplier management mechanism to create green supply chains. Furthermore, we will exchange with the media, promote our brand, increase brand awareness, and expand market influence.

Employee responsibility

We will advocate that everyone is talented and protect the basic rights and interests of employees under the principle of equal and legal employment, improving the salary and benefits system, and smoothing democratic communication channels. We will also establish a diversified training system, expand employee promotion channels, implement CR Enterprise's safety culture, and ensure occupational health and safety. Employee well-being will be improved to enhance their sense of happiness and satisfaction during their work.

Public responsibility

We will actively shoulder social responsibility and, on the occasion of the 26th anniversary of Hong Kong's return to the motherland, continue to build high-quality projects around the three systems of "education, employment, and entrepreneurship" in Hong Kong to steadily enhance our influence in the community there. We will also group volunteers to carry out and engage in diverse community charity activities to jointly build Hong Kong a city that is full of care and mutual aid.

Appendix

Policies

ESG Indicator	Policies	Laws and Regulations
A.Environmental		
A1: Emissions	CR Enterprise Position EHS Accountability System CR Enterprise Emergency Management Measures for EHS Accidents	Environmental Protection Law of the PRC Law of the PRC on Environmental Impact Appraisal Atmospheric Pollution Prevention and Control Law of the PRC
A2: Use of Resources	CR Enterprise Comprehensive Emergency Plan for EHS Accidents CR Enterprise EHS Reward and Accountability System	Water Pollution Prevention and Control Law of the PRC Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes Outline of Nature Conservation of the PRC
A3: The Environment and Natural Resources	CR Enterprise Action Plan for Carbon Dioxide Peaking CR Enterprise Management Measures for Byproducts and Waste Materials	Energy Conservation Law of the PRC Action Plan for Carbon Dioxide Peaking Before 2030
A4: Climate Change		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 CR Enterprise Guidelines for the Management of Personal Labor Protection Products CR Enterprise Special Emergency Plan for Public Health Emergencies CR Enterprise Comprehensive Emergency Plan for EHS Accidents CR Enterprise Emergency Management Measures for EHS Accidents CR Enterprise Implementation Plan for the Three-Year Action on Production Safety Special Rectification	Labor Law of the PRC Law of the PRC on the Prevention and Control of Occupational Diseases Production Safety Law of the PRC Fire Prevention Law of the PRC Emergency Response Law of the PRC 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 CR Enterprise Management Measures for Procurement Evaluation Experts Pool and External Experts CR Enterprise Implementation Rules for Procurement Comprehensive Evaluation Method CR Enterprise Management Measures for Byproducts and Waste Materials CR Enterprise Suppliers EHS 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

"BEYOND DREAMS" won the GoldenKey-Merit Award of China Sustainability Tribune

CR Enterprise

《Building an Ecology of Youth Integration in the Greater Bay Area, Focusing on Solving the Difficulties of Youth Employment in Hong Kong》 won the "Golden CSR China Honor Roll" ESG Competitiveness-Innovation Charity Award of China Sustainability Tribune and GoldenBee ThinkTank

CR Enterprise

2022 Corporate Social Responsibility Award in the Greater Bay Area of the 100% HK Branding Award

CR Enterprise

Greater Bay Area Leading Enterprise Award of 2022 Standard Chartered Corporate Achievement Awards

CR Enterprise

Social Sustainability Award (Industry, Innovation, and Infrastructure), Green Sustainability Award (Climate Action), and Enterprise Governance Award of Outstanding Enterprises of 2022 Greater Bay Area Enterprise Sustainability Award

CR Enterprise

"Energy Saving Charter 2022" Certificate of Hong Kong Environment and Ecology Bureau

Pacific Coffee (Hong Kong and overseas)

2022 Top 10 Quality Online Store Awards of Hong Kong Retail Management Association

Pacific Coffee (Hong Kong and overseas)

ERB Outstanding Employer Award of Hong Kong Labour Department-Employees Retraining Board

Pacific Coffee (Hong Kong and overseas)

Ten Years Plus "Caring Company Logo" of Hong Kong Council of Social Service

Pacific Coffee (Hong Kong and overseas)

Bronze Award for Volunteer Service (Groups), Silver Award for Volunteer Service (Individual), and Bronze Award for Volunteer Service (Individual) among Selection of the 2021 Volunteer Service of the Hong Kong Federation of Youth Groups' "Easy Volunteer"

CREP

Sugar+ won the Bronze Award for BEAM Plus of the Hong Kong Green Building Council

CREP

Annual Top 10 Volunteer Hours Award of the Hong Kong Agency for Volunteer Service

CREP

Good Institution Award of the Occupational Safety and Health Council

CREP

"Happy Enterprise" Title of 2022 Happiness at Work Promotional Scheme of Promoting Happiness Index Fund

CREP

"Caring Company Logo" of Hong Kong Council of Social Service

CREP

2022 China's Most Resilient Enterprise Big Consumption Award of Chief X-Professional Officer Innovation Center

OATLY

Top 10 Most Favored Brands of "Generation Z" at the 2nd China Food & Beverage Capital Forum 2022 of National Business Daily

OATLY

China Quality and Integrity Benchmark Enterprise of China Association for Quality Inspection

OATLY

The 4th (2021-2022) iSEE Global Food Innovation Business Excellent Award of Foodaily

OATLY

Key Performance Indicators

Note:

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

2: Responsible procurement ratio refers to the proportion of transparent procurement of the year.

3: Employee turnover rate = number of resigned employees / (number of employees at the beginning of the period + number of new recruits) *100%

4: In 2020, the disclosure scope of this indicator does not cover China Resources Snow Breweries Limited, China Resources Ng Fung Limited and China Resources C'estbon Beverage (China) Co. Ltd.

5: In 2021, CR Enterprise completed major strategic transformation and business adjustment, and stripped three first-class profit centers, so the data of 2021 changed significantly compared with previous years.

Economic Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Total assets	HKD billion	108.917	471.54	51.404
Operating income	HKD billion	59.679	2.888	2.254
Recurring earnings before interest and tax ¹	HKD million	5,000	762	942
Net assets	HKD billion	58.372	29.293	29.304
Ratio of return on net assets	%	3	2	3.1
Ratio of return on total assets	%	3	2	2.8
Rate of value preservation and appreciation of state-owned assets	%	104	164	100
Owners' equity	HKD billion	58.372	29.293	29.304
Total investment in fixed assets	HKD billion	1.379	4.783	1.771
Asset debt ratio	%	46	38	43
Labor productivity	HKD 10,000/year	116.44	53.29	66.33

Employee Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Number of employees	headcount	49,630	3,146	2,533
Number of disabled employees	headcount	125	12	8
Proportion of female managers	%	17.3	22.9	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	1,903.17	69.212	287
Training time per employee	hour	160	115	120
Employee turnover rate ³	%	15.74	12.83	17.40
Emergency drills	times	3,541	1,968	1,330
Employee's safety training hours	hour	880,575.50	19,330	17,498.3

Employee Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Safety training coverage rate	%	100	100	100
Number of safety hazard investigations	/	110,618	3,236	4,053
Number of rectifications of potential safety hazards	/	108,421	3,144	3,972
Rate of rectifications of potential safety hazards	%	98.01	91.40	98.00
Work safety investment	HKD million	132	13	14
Fatality rate per thousand employees	%	0	0	0

Customer Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
R&D investment	HKD million	285	175	21.3
Number of patents obtained	/	41	0	4
Ratio of qualified products	%	100	100	100

Environmental Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Total annual energy consumption	10,000 tons of standard coal equivalent	25.36	0.7584	0.5161
Annual energy consumption reduced	10,000 tons of standard coal equivalent	5.08	25.357	0.2693
Total packaging materials for end products	tons	0	0	242
Total investment in environmental protection management	HKD 10,000	8,400	26.85	87.49
Comprehensive energy consumption	10,000 tons of standard coal equivalent	24.77	0.7584	0.5161
Comprehensive energy consumption per RMB 10,000 of output value	ton of standard coal equivalent / RMB 10,000	0.12	0.0314	0.02996
Comprehensive energy consumption per RMB 10,000 of added value	ton of standard coal equivalent / RMB 10,000	0.72	0.0694	0.05212
Clean energy consumption	10,000 tons of standard coal equivalent	7.95	-	-
Proportion of clean energy use	%	58	-	-
Annual freshwater consumption	10,000 tons	3,790.97	0.1263	0
Freshwater consumption per unit of industrial added value	m ³ /RMB	9.79	0.0339	0
Investment in environmental activities	HKD 10,000	25.38	1.34	0
Exhaust emissions	10,000 m ³ /year	0	0	0
Wastewater reduced	10,000 tons	214.79	0	0
Wastewater discharged	10,000 tons	2,219.08	0	0
SO ₂ emissions	ton	28.77	0	0
COD emissions	ton	1,049.18	0	0
CO ₂ emissions	ton	1,039,067.69	144.1529	37,718.4

Environmental Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
CO ₂ emission per RMB 10,000 of output value	ton/RMB 10,000	-	0.0037	0.2264
NO _x emissions	ton	126.27	0	0.2186
Ammonia nitrogen emissions	ton	111.07	0	0
Office electricity consumption ⁴	kWh	545,466	227,485.38	262,639.2
Office water consumption ⁴	ton	3,749.34	288	610
Office paper consumption ⁴	piece	523,736	527,500	290,000

Partner Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Economic contract performance rate ⁴	%	100	100	100
Total number of MOU signed ⁴	piece	1	5	10
Industry-university-research cooperation expenditure ⁴	HKD 10,000	79.3	1,750	2,130
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	/	48	0	0
Number of potential suppliers rejected due to non-compliance with social responsibility	/	10	0	0

Social Responsibility				
Indicator	Unit	2020	2021 ⁵	2022
Number of jobs created	headcount	6,671	1,600	1,274
Total tax payment	HKD million	7,838	42	33
Charitable donation expenditure	HKD million	20	0.21	1.378
Percentage of local employment ⁴	%	97.92	90.50	95.20

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, 2022	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021		
2-1	Organizational details	1,5-8
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	5-10,61-62
2-7	Employees	29-36
2-8	Workers who are not employees	29-36,61-62
2-9	Governance structure and composition	57
2-10	Nomination and selection of the highest governance body	57
2-11	Chair of the highest governance body	57
2-12	Role of the highest governance body in overseeing the management of impacts	57
2-13	Delegation of responsibility for managing impacts	57
2-14	Role of the highest governance body in sustainability reporting	57,63
2-15	Conflicts of interest	57-59
2-16	Communication of critical concerns	57-59
2-17	Collective knowledge of the highest governance body	57
2-18	Evaluation of the performance of the highest governance body	57
2-19	Remuneration policies	57-59
2-20	Process to determine remuneration	57-59
2-21	Annual total compensation ratio	57-59
2-22	Statement on sustainable development strategy	57,63
2-23	Policy commitments	57,63
2-24	Embedding policy commitments	57,63
2-25	Processes to remediate negative impacts	57,63
2-26	Mechanisms for seeking advice and raising concerns	57,63
2-27	Compliance with laws and regulations	57,63
2-28	Membership associations	69
2-29	Approach to stakeholder engagement	63-65
2-30	Collective bargaining agreements	31-32
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	63-65
3-2	List of material topics	63-65
3-3	Management of material topics	63-65

GRI Standard	Disclosures	Location
Economic		
GRI201:Economic Performance 2016		
201-1	Direct economic value generated and distributed	71
201-2	Financial implications and other risks and opportunities due to climate change	23
201-3	Defined benefit plan obligations and other retirement plans	36
201-4	Financial assistance received from government	32
GRI203:Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	11-13
203-2	Significant indirect economic impacts	11-13
GRI204:Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	61-62
GRI205:Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	59-60
205-2	Communication and training about anti-corruption policies and procedures	59-60
205-3	Confirmed incidents of corruption and actions taken	59-60
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	72
GRI302:Energy 2016		
302-1	Energy consumption within the organization	72
302-3	Energy intensity	72
302-4	Reduction of energy consumption	72
GRI303:Water and Effluents 2018		
303-4	Water discharge	72
303-5	Water consumption	72
GRI305:Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	72
305-4	GHG emissions intensity	72
305-5	Reduction of GHG emissions	72
GRI306:Waste 2020		
306-2	Management of significant waste-related impacts	24
GRI308:Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	24-26,61-62
308-2	Negative environmental impacts in the supply chain and actions taken	24-26,61-62
Society		
GRI401:Employment 2016		
401-1	New employee hires and employee turnover	71
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	29-36
GRI403:Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	34-36

GRI Standard	Disclosures	Location
403-2	Hazard identification, risk assessment, and incident investigation	34-36
403-3	Occupational health services	34-36
403-4	Worker participation, consultation, and communication on occupational health and safety	34-36
403-5	Worker training on occupational health and safety	34-36
403-6	Promotion of worker health	34-36
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34-36
403-8	Workers covered by an occupational health and safety management system	34-36
403-9	Work-related injuries	No such case
403-10	Work-related ill health	34-36
GRI404:Training and Educations 2016		
404-1	Average hours of training per year per employee	32
404-2	Programs for upgrading employee skills and transition assistance programs	32-33
404-3	Percentage of employees receiving regular performance and career development reviews	32
GRI405:Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	31
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	31
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	11-14,47-52
413-2	Operations with significant actual and potential negative impacts on local communities	No such case
Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	24-26,61-62
414-2	Negative social impacts in the supply chain and actions taken	24-26,61-62
GRI415:Public Policy 2016		
415-1	Political donations	51
GRI416:Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	37
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	42
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

金蜜蜂企业社会责任报告评级证书

依据 GB/T 36001-2015 《社会责任报告编写指南》国家标准，按照“金蜜蜂中国企业社会责任报告评估体系”要求，《华润创业2022可持续发展报告》被评为“卓越(A+)”质量等级，是企业社会责任报告参考的典范和标杆，特颁此证。

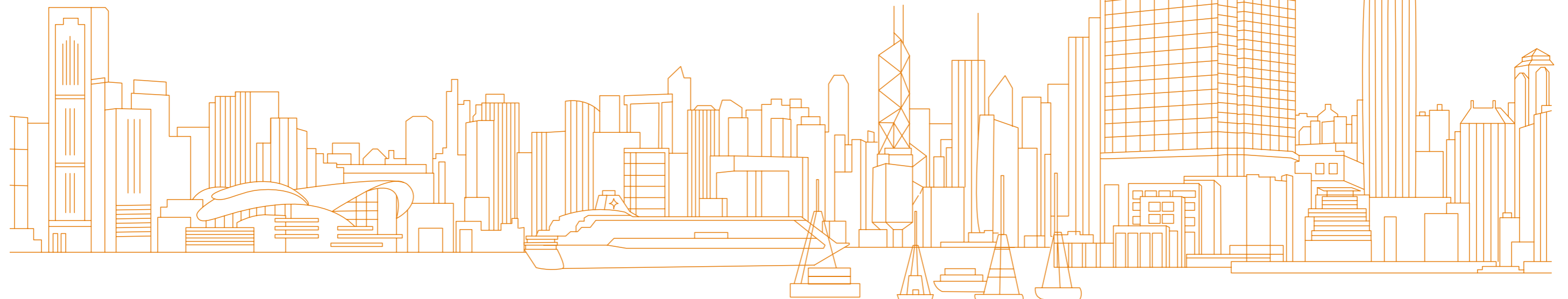
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