



華潤創業有限公司
China Resources Enterprise, Limited



New Step, New Page

CORPORATE SOCIAL RESPONSIBILITY REPORT 2014

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About Us

Message from the Chairman

I am pleased to present the “Corporate Social Responsibility Report 2014” of China Resources Enterprise, Limited (“CRE” or the “Company”); together with our subsidiaries, the “Group” or “we/us”).

In 2014, the Group carried on focusing on its four core businesses of retail, beer, food and beverage – with the vision of becoming a world-class retail and consumer goods company. Our core business philosophy which called for the pursuit of sustainable development had been the driving force underpinning our ongoing growth. At the same time, we had subjected ourselves to public supervision by giving accounts of our initiatives in the fulfillment of social responsibilities in the form of an independent report for the second year successively.

Facing the social issues such as the current complicated world economic situations and severe environmental issues, we confirm the theme of CRE’s Corporate Social Responsibility Report for this year as “New Step, New Page.” This theme has a meaning that while pursuing corporate business performance, we will pay much more attention on the social responsibility of sustainable developments than ever before. This includes to improve the corporate food safety and product service quality continuously and provide good products and services for wide range of customers; put more efforts and investments in protection of natural environment, cherish natural resources, popularize relevant knowledge and minimize the effects of business operation on environment and community; We will also carry on caring for staff, society, community and assisting the poor for education, we will serve our community more actively in various forms and share the fruits of the enterprise growth with the public.

On the road to the future, we hope you can join us to undertake social responsibilities and work hard together to create a more beautiful future with practical actions.

Thanks to everyone!

Chen Lang, Chairman



About Us



Overview of the Company

Founded in 1992, CRE is the flagship subsidiary of China Resources (Holdings) Company Limited (“CRH”) in the retail and consumer business, listed in Hong Kong as a constituent stock of Hang Seng Index. As one of the China Mainland excellent consumption goods company, and building on a strategy that pursues “market leadership, business synergies, operational excellence and outstanding brand reputation”, the Group is focused on its four principal businesses of retail, beer, food and beverage, with the vision of becoming a world-class retail and consumer goods company.

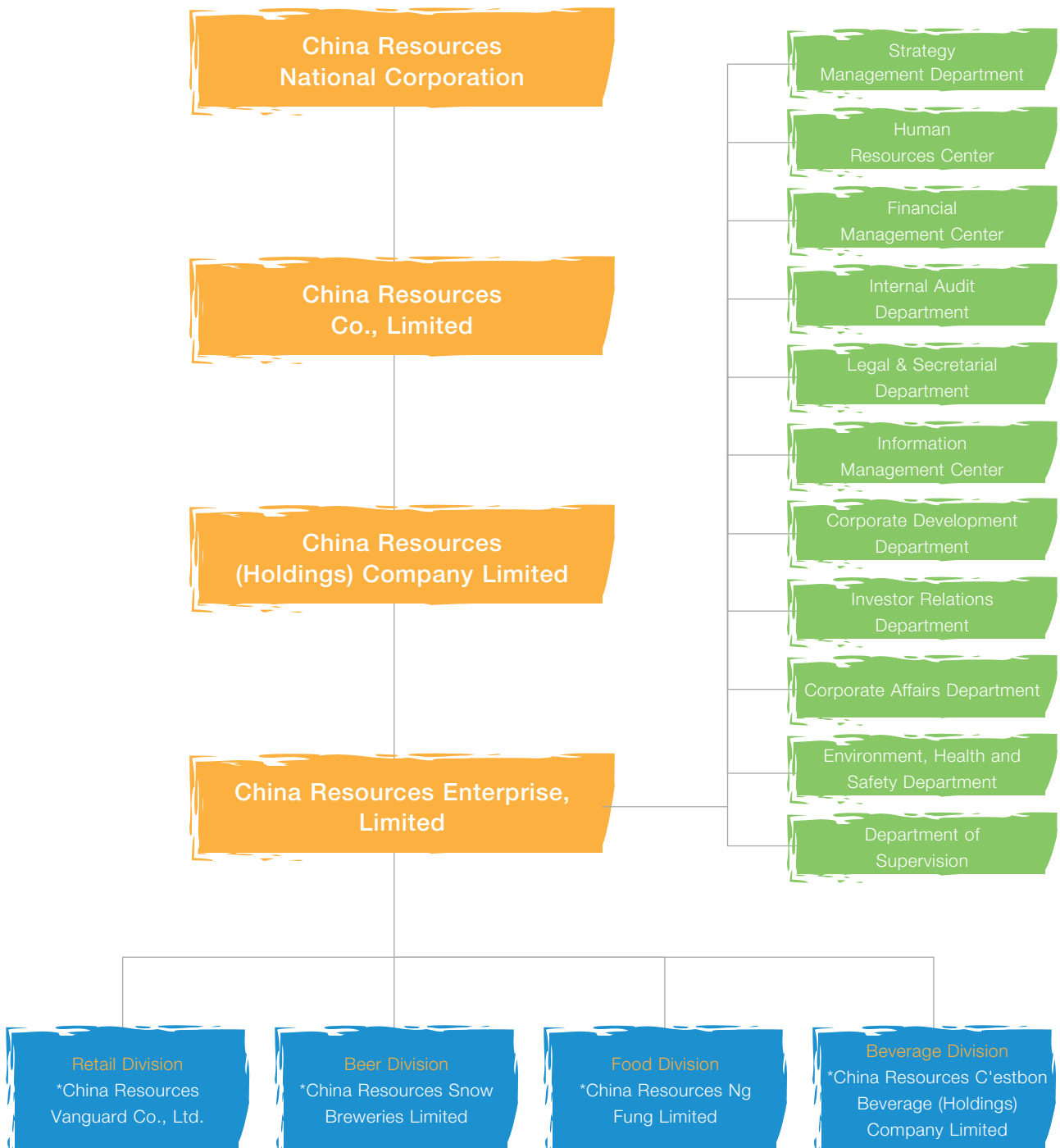
Famous brand names in our **retail division** portfolio include “華潤萬家 CR Vanguard”, “蘇果 Suguo”, “歡樂頌 Fun Square”, “Ole”, “blt”, “V>nGO”, “Voi_lal!”, “中藝 Chinese Arts & Crafts”, “華潤堂 CRCare”, “采活 VIVO” and “太平洋咖啡 Pacific Coffee”, etc., which form an extensive retail network of over 4,800 stores across China. Our **beer division** is a well-established market leader, as our “雪花 Snow” brand has remained the best-selling single beer brand in China in terms of volume

since 2005. In connection with our **food division**, we are committed to providing “Safe, Healthy and Convenient” food products to the public through the principal businesses of rice, meat, comprehensive food and international distribution, and at the same time, seeking to expand our presence in the China market by leveraging the “五豐 Ng Fung” brand as a label for premium food quality. The food division is also in charge of the operation of China Resources Hope Town development projects Our **beverage division** is well-positioned to grow into a leading player in China’s market for non-alcoholic drinks thanks to synergies achieved by “怡寶 C’estbon”, our flagship brand in purified water, that claims a leading position in southern China.

In the future, our Company will adhere to the enterprise’s philosophy of “Better Life Together”, continue to make efforts and transcend, reward shareholders’ expectation with better performance and endeavor to create better quality life for the public.

About Us

Organisation Chart



* Major Subsidiaries

About Us

Milestones

1992

- CRH acquired Winland Investment Limited and renamed it "China Resources Enterprise, Limited (CRE)"; CRE was among the first Chinese enterprises to be listed in Hong Kong
- Property investment was the main focus of CRE then



1993

- Founded the joint company China Resources (Shenyang) Snowflake Brewery Co. Ltd., marking CRE's venture into beer business



1994

- Signed an agreement with South African Breweries Group* to jointly develop beer business in China (*South African Breweries Group acquired Miller Brewing Company in 2002 and changed its name to SABMiller PLC)

1997

- CRE became an HSI constituent stock
- Bought 80% stake in Redland Holdings Limited
- Completed set up of joint venture with Esprit Holdings Limited to operate retail business of "Esprit" ready-to-wear products in China



1996

- Acquired 67.25% interest in a purified water production plant and began developing the "怡寶 C'estbon" purified water business
- Spinned off China Resources Beijing Land Limited (Now known as China Resources Land Limited) for listing



1995

- Ng Fung Hong Limited (Now known as China Resources Ng Fung Limited) was listed in the HKex. CRE acquired 26% stake in this company and began operating food business



1999

- Acquired the retail business of CRH including Chinese Arts & Crafts (H.K.) Limited and CRC Department Store Limited
- Increased shareholding in China Resources Supermarket (Hong Kong) Limited to 100%



2000

- Transferred stakes in China Resources Beijing Land Limited (Now known as China Resources Land Limited) and Logic International Holdings Limited (which was subsequently renamed China Resources Logic Limited and China Resources Gas Group Limited) to CRH in exchange for oil and chemical distribution business
- The pharmacy section of CRC Department Store was made an independent operation christened "CRCare"

2001

- Completed privatisation of Ng Fung Hong Limited (now China Resources Ng Fung Limited), which became a wholly-owned subsidiary of CRE

2002

- Acquired the retail business of CR Vanguard and the Suguo brand supermarket business

About Us

2003

- Spinned off concrete business, which was listed in the HKex after integrating its business with the other concrete and cement businesses of CRH (subsequently renamed China Resources Cement Holdings Limited)



2004

- Opened the first "Ole" supermarket in Shenzhen

2005

- Strategically restructured its businesses by gradually selling non-core operations including petrol stations, oil storage and petroleum and chemical business, etc. and focusing on its core retail and consumer goods businesses
- "雪花 CR Snow" beer became the best-selling single beer brand in China in terms of volume

2006

- Beer business topped the list of best-selling beer producers in the country in terms of volume

2007

- Completed sale of all petroleum related business
- Increased stake in purified water business to 100%
- Opened the first "VanGO" convenience store in Shenzhen



2008

- "雪花 Snow" became the best-selling single beer brand worldwide in terms of volume

2009

- Swapped assets with CRH our 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

- Acquired 80% stake in Pacific Coffee (Holdings) Limited
- Completed selling stake in "Esprit" business in China to Esprit Holdings Limited, and from then onward, directed its focus on four core retail and consumer goods businesses namely retail, beer, food and beverage
- Opened the first "歡樂頌 Fun Square" shopping center in Shenzhen
- Launched high-end "blt" supermarket, "Voi_lal!" wine cellar and "采活 VIVO" health and beauty retail store operations



2011

- Set up a joint venture company with Kirin Holdings Company, Limited, with CRE holding 60% interest, to actively expand its non-alcoholic beverage business



2012

- Completed acquisition of 100% holding of Jiangxi Hongkelong Department Store Investment Company Limited

2014

- Set up a joint company with Tesco PLC to vigorously develop multi-format retail business in China



About Us

Awards & Recognition 2014

January

Deloitte and STORES Media
2012 Top 250 Global Retailers
Ranked 93rd

February

MerComm, Inc.
Mercury Awards
Annual Reports – Overall Presentation: Gold
(Consumer Goods)

March

Yazhou Zhoukan
Global Chinese Business 1000 Ranking
The Largest Conglomerates Company
Award 2013

The Mirror

The 3rd Outstanding Corporate Social
Responsibility Award
Outstanding Corporate Social
Responsibility Award

April

CAPITAL and CAPITAL Weekly
Corporate Social Responsibility Awards 2014
Corporate Social Responsibility Award



May

Forbes
Global 2000
Ranked 1067th



Corporate Governance Asia

Asian Excellence Recognition Awards 2014

June

CAPITAL
The 9th CAPITAL Outstanding China
Enterprise Awards
Outstanding Consumer Goods Enterprise Award



Asia's Best CEO (Investor
Relations) – Mr. Hong Jie



Asia's Best CFO (Investor
Relations) – Mr. Frank Lai



Asia's Best Corporate
Social Responsibility



Best Environmental
Responsibility



Best Investor Relations
Company



Best Investor
Relations Professional
– Mr. Vincent Tse

July

ChinaHR.com
Research Report on the 12th ChinaHR
Best Employers
Ranked 3rd in the TOP 5 Best Employers
(Retail – Department Stores Industry)

Fortune China

Fortune China 500
Ranked 40th

About Us

September

MerComm, Inc

International Annual Report Competition (ARC) Awards
 Retail – Supermarkets: Gold (Interior Design)
 Food and Consumer Packaged Goods: Gold (Interior Design)
 Food Processing: Gold (Printing and Production)
 Food and Consumer Packaged Goods: Silver (Cover Photo/ Design)
 Retail – Supermarkets: Bronze (Printing and Production)
 Retail – Convenience and Department Stores: Bronze (Non-Traditional)
 Food and Consumer Packaged Goods: Bronze (Non-Traditional)
 Food Processing: Honors (Interior Design)

League of American Communications Professionals LLC (LACP)

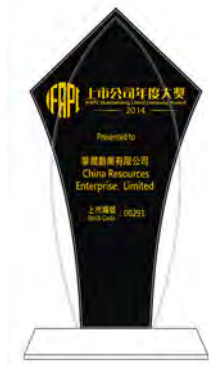
2013 Vision Awards Annual Report Competition
 Consumer – Food/ Beverages/ Tobacco: Gold
 Retailing – Multi-line Retail: Gold
 Retailing – Food and Specialty: Silver

November

IR Magazine

Global Top 50 2014
 Global Top 50 Silver

The Hong Kong Institute of
 Financial Analysts and
 Professional Commentators Limited
 IFAPC Outstanding Listed Company Award 2014
 Outstanding Listed Company of the Year



Retail Asia

Retail Asia Pacific Top 500 Awards
 Best of the Best Retailers Award, Asia Pacific
 Top 10 Retailers in China – Gold Award
 Top 10 Retailers in China – Hypermarket
 Top 10 Retailers in China – Supermarket

October

Economic Digest

Hong Kong Outstanding
 Enterprises Parade 2014
 Hong Kong Outstanding
 Enterprise Award



Corporate Governance Asia

Corporate Governance Asia Recognition Awards 2014
 Asia's Icon on Corporate Governance
 Asian Corporate Director of the Year Award 2014
 Asian Corporate Director – Mr. Hong Jie

MerComm, Inc.

International Galaxy Awards
 Annual Reports Overall Presentation – Food and Consumer Packaged
 Goods: Silver
 Annual Reports Overall Presentation – Retail (Other and General):
 Bronze
 Annual Reports Covers (Special Treatment): Honors

December

Ta Kung Pao

Golden Bauhinia Award
 Best Corporate Governance for Listed Companies
 Best Information Disclosure for Listed Companies

IR Magazine

IR Magazine Awards
 Best in Sector – Consumer Staples

The Hong Kong Institute of Directors

Directors of The Year Awards 2014
 The Awardee in the Board Category for "Listed Companies
 (SEHK – Hang Seng Index Constituents)"

Corporate Governance Asia

2nd Asian Company Secretary of the Year Recognition Awards 2014
 Asian Company Secretary of the Year – Mr. Frank Lai



The Asset

The Asset Corporate Awards 2014
 Gold Award for Financial Performance, Corporate Governance, Social
 Responsibility, Environmental Responsibility and Investor Relations

China Business Journal

Top 10 Happiest Companies
 Ranked 5th

Zhaopin.com

China Best Employer Award
 The Most Promising Employer

Responsibility

China Resources Enterprise Co., Ltd. adheres to the enterprise philosophy of “Better Life Together” and the vision of becoming a world-class retail and consumer goods company. As the retail and consumer goods business flagship of CRH, our philosophy in corporate social responsibility is consistent with our vision, mission, culture and values. CRE has always been mindful of putting its beliefs in social responsibility into practice in day-to-day operation, in a bid to contribute to the sustainable development of the society, economy, environment and ourselves. In 2014, the four core businesses under flagship of retail, beer, food and beverage continued to inherit the practical culture of Chinese Resources and step out from practicality and combine internal business with outer demands, and actively practice enterprise social responsibility through continuous efforts.

1. “1+1, Sending Books for Care” — 2014 China Resources C’estbon 100 Libraries Program



Overview of China Resources C’estbon 100 Libraries Program: China Resources C’estbon 100 Libraries Program was implemented from 2007, and aimed at donating public libraries from middle and primary schools where there were few educational resources. Assuming the project concept of “sharing knowledge and nurturing souls”, the project advocated the method of “one bottle of C’estbon water for one idle book” and implement the recycling urban-suburban use of books, advocating citizens to donate the idle books to middle and primary schools in poor areas to commonly contribute to China Resources C’estbon 100 Libraries and focus on the growth of children in poor areas and improve their reading condition to help them expand their visions and enlightening minds.

1) Overview of “100 Libraries” activity in 2014

On 27 July 2014, China Resources C’estbon held the project implementation ceremony in Shenzhen Children Library themed with “1+1, Sending Books for Care” and implemented the books donation, library building donation, love revisit tour and other activities in more than 40 cities in China to set up a blue sky of knowledge for children in poor areas.

After the implementation of the project, the books donation became a trend in China and China Resources C’estbon went to 47 cities to implement 2,840 community books donation activities in China. Not only the citizen actively donated books,

this public project also raised hot discussion and earned wide focuses on line and more than ten thousand netizens participated in the public books list recommendation activities, including famous literary giants like Liu Zhen recommending books for children in person.

In 2014, 27 libraries were established under the project of “1+1, Sending Books for Care” — 2014 China Resources C’estbon 100 Libraries Program. Over the past eight years, China Resources C’estbon totally donated 132 public libraries and more than one million books.

2) Responsibilities and actions of all parties participating in 2014 China Resources C’estbon 100 Libraries Program

- **Practical work of China Resources C’estbon and its staff**

Over eight years, China Resources C’estbon has been focusing on one public project and has put the public welfare philosophy of “practical in public welfare” as a root into heart. The hot weather in July and August cannot prevent the staff of China Resources C’estbon from warmhearted participation; they are careful and responsible for every link from community sites election, sites communication even to books classification.

Responsibility

It is of utmost importance to elect a school to donate for, to find a mostly needy school, the project team often needed to take bus for several or even more than ten hours to conduct site investigation, have face-to-face communication with the school principal and understand concrete conditions and demands in the hope of the donated libraries meeting with the school's actual needs.

Besides sticking to the philosophies of "share" and "responsibility", the 100 Libraries Program also adhered to the spirit of keeping in pace with times and daring to innovate, and there are groups of staff in C'estbon practicing this responsibility.

- **Caring actions from society**

China never lacks the power of love. The reasons that many public welfare projects can be continued and can earn fruitful results in China hinge on the outcomes of the concentration of social love powers. From the day of commencement of C'estbon 100 Libraries Program, we have always been calling such power of love. They recognize China Resources C'estbon brand and public welfare philosophy care for Chinese education, especially the development of rural education and care for the physical and psychological health of rural children.

We brought the 100 Libraries Program into all cities' communities, and it won wide attention from society. Those people not only actively participated in on-site books donation activities, but also actively helped advertising and introduced in more love power. Regardless of the elderly or students, regardless by hands or shoulders, they brought myriads of books to the site for donation and requested the staff to make sure that those books can be sent to "C'estbon Libraries" and hence children can have books to read and read well.

In 2014, over 650,000 people with love went by person to the books donation sites and the total donated books amounted to nearly 640,000. There were 360 representatives went to the rural schools accepting the "C'estbon Libraries" books donation to understand the learning and reading conditions of the children there.

- **Sharing actions of the schools accepting donations**

Over the past eight years, China Resources C'estbon donated 132 libraries in total, and in these libraries, under the management and organizations of teachers in school, the daily reading activities in "C'estbon Libraries" were actively implemented. Apart from the regular opening of the libraries to teachers and students every week, many schools set up reading day and class reading corner, implement reading competitions, speech contests to enrich the reading contents of students in spare time and enhance the reading ability.



Students in Jiangsu Taicang Sangang Primary School reading in the newly built libraries



Huge amounts of persons donated books in queue on Renmin Square



Students in Rugao Shizhuang Primary School searching beloved books in the newly built libraries



Books donated by people from four villages in Huicheng in Shanghai piled up like a small mountain

Responsibility

2. “Inheritance of Ancient Buildings” – 2014 China Resources Snow in Action

Owing to reasons such as improper protection and history, large amount of Chinese ancient buildings are dying out, and for that the traditional techniques of Chinese ancient buildings were passed down only by word of mouth, and devoid of scientific and systemic conclusions and written records. With the generous spirit and the action philosophy of seeing the whole by the point (ancient buildings), China Resources Snow Breweries was willing to contribute to the popularization of construction knowledge of Chinese ancient buildings. When we began, we found two amazing facts: the first was that so many experienced senior and young talents were working in this field; the second was that the research funding in this field was so tight which was far beyond our expectation.

From 2008, China Resources Snow began to cooperate with School of Architecture in Tsinghua University and successively invested more than RMB30 million to assist Tsinghua University in the research of ancient buildings. Through the sustainable implementation of multiple activities such as publication of series of books, video shoots, and themed photography competition, we shaped the unique Chinese elements of snow as well as boosted the popularization and inheritance of Chinese ancient buildings to let ancient buildings go public, and these activities hit great social impacts and contribute to excellent culture communication. We hope our actions can make certain contributions to the popularization of knowledge in Chinese ancient buildings, can make the research results of experienced seniors and young talents to be widely propagandized, can provide some tools for readers to understand and recognize Chinese ancient building, and can do our bit of help to the “independence” of our culture.



Responsibility

1) “Popularization and Inheritance” Series of Books

To vigorously promote the perfecting of Chinese ancient building knowledge system and to enhance the public understanding on the value of China ancient buildings, China Resources Snow and Tsinghua University jointly planned and published several series of books on the popularization and inheritance of Chinese ancient buildings, including The Five Books about Beijing (in both Chinese and English, i.e., *The Forbidden City, Beijing Quadrangle, Summer Palace, Temple of Heaven and The Historical Architectural Map of Beijing*), *Chinese Vernacular House* (including 5 books), *Chinese Ancient Architecture Decoration* (including 5 books), *Chinese Ancient Capitals* (including 5 books) and *The Historical Architectural Map of Beijing* (Volume 1, Volume 2 and Volume 3), etc. Among which, the English version of The Five Books about Beijing had been published in the United States. China Resources Snow also held the new book launches, donation of books ceremony and reading clubs and had given books of over 50,000 to the libraries of colleges and universities, State and provincial level libraries, famous media and secondary schools of China every year.

“The Historical Architectural Map of China” series developed by China Resources Snow and Tsinghua University aimed to combine Chinese ancient architecture, culture, history and geography together to provide the public the series of books of “Chinese Ancient Architecture Popularization and Inheritance” with knowledge popularization and field guide, which makes it more effective to promote and popularize the Chinese architectural culture. Meanwhile, this work will develop into a new stage by the influence of the ongoing *The Five Books of Maps*.

The Five Books of Maps will be published in 2015, and the contents of the initial maps involves single and group ancient architectures in Zhejiang, Guangdong (and Hainan), Jiangsu (and Shanghai), Anhui and Fujian. We strive to make the books easy to understand based on the practical and professional principles so as to provide guidance and assistance on the popularization and inheritance of Chinese ancient architectures.

Rewards of Ancient Architecture Series of Books:



Responsibility

2) “Chinese Ancient Architecture Photo Contest”

Since 2009, “Snow Breweries • Chinese Ancient Architecture Photo Contest” co-organized by China Resources Snow and Tsinghua University has been successfully held for 6 times with a rich variety of activities like photography of Chinese ancient architecture, public lectures and photo exhibitions held in more than ten provinces in China. “Snow Breweries • Chinese Ancient Architecture Photo Contest” has now been the largest photography activity about Chinese ancient architecture in China, which has drawn concerns and recognitions of many architecture and photography lovers.

On 5 Jan 2014, the 6th “Snow Breweries • Chinese Ancient Architecture Photo Contest” was launched in China, and the 6-month activities of ancient architecture shooting, public lectures, photo exhibitions and the rewarding of photography were held; and the “2014 Gardens in Light and Shadow” large-scale outdoor photo taking activity was carried out successfully.

During the period of contributions, the 6th “Snow Breweries • Chinese Ancient Architecture Photo Contest” lasted from 5 Jan 2014 to 5 May 2014, we got 1.36 million participants and 2.47 million of photography submissions, which was the largest in scale in the history of photo contest in China. Meanwhile, during the contest activity period, number of fans recorded in the new media official account reached 1.97 million, and the

online new media coverage reached 6 million persons during the same period. The activity had drawn wide attentions of public on Chinese ancient architecture, and it also provided a large amount of image data to the inheritance of ancient architecture.

3) Popularization and Promotion of Ancient Architecture Knowledge

During July to September 2014, many ancient architecture and photography experts were invited by China Resources Snow as eminent lecturers to provide five ancient architecture public lectures in the four cities including Beijing, Guangzhou, Chengdu and Yangzhou. Ancient architecture and photography experts explained the professional knowledge of ancient architecture and photography in easy-understanding ways to the participants, and the activities won high praise of the participants.

At the same time, China Resources Snow carried out 6 one-week national photo exhibitions of ancient architecture in Beijing, Guangzhou, Chengdu, Shanghai, Yangzhou and Dali, which involved field audiences of over 370,000. WeChat message coverage of the activity reached a total of 2.24 million of people. China Resource Snow had really realized its idea of promoting and popularizing ancient architecture knowledge to the public.



Responsibility

3. “Footing on the Hope Town to Develop Modern Agriculture” – 2014 Beneficial Exploration of CR Ng Fung

China Resources Group started to build hope towns in poverty-stricken areas since 2008. Through efforts of the past 6 years, China Resources hope towns of Guangxi Baise, Hebei Xibaipo, Hunan Shaoshan, Fujian Gutian and Hainan Wanning had been completed; other China Resources hope towns in Guizhou Zunyi, Anhui Jinzhai and Beijing Miyun are under construction, which has directly benefited 3,100 farmer households and 12,200 town residents who had preliminarily realized their dream of living a prosperous and contented life. The building of China Resources hope towns is both a public charity activity and a beneficial exploration and attempt of China Resources Group to solve the three issues of agriculture, rural development and farmers and to actively participate in building a new socialist countryside and urbanization construction, with the use of resources of the enterprise.

Footing on the hope towns to look forward into the future of modern agriculture. Industry support and development is not only the extension of the hope town construction but also the core meaning of the hope town constructions. Hope town radically changes the living environment of local farmers; it steadily improves the income of the farmers through industry support. CR Ng Fung is the main undertaker of industry support and industry development which is also trying its best to advance agricultural modernization. Based on the eight hope towns mentioned above, eight modern agricultural production bases has been established in China, including Baise fruit and vegetable base of 10,000 mu (circa 667 ha), Xibaipo laying hens breeding base of 500,000 mu (circa 3,333 ha) and Wanning East goat breeding base, etc. Production and operation of the bases adopted modern agricultural management idea of mechanization and intensification and provided about 2,000 employment opportunities for the residents of the towns, which had done great assistance to the local employment as well as the local economic development.



1) Land Circulation

The first element of modern farming is continuous pieces of flat lands, so only after the lands are centralized and infrastructure improvement is done, can we change completely the traditional small-scale peasant economy. In Baise hope town, a total of 10,000 mu (circa 667 ha) lands were circulated with integration of water and fertilizer and reorganization of greenhouse concentration area and a standard subtropics fruit and vegetable plantation was thus formulated. By the way of scientific planning, fine management and leasing the restored lands to farmers, the farmers had truly enjoyed the benefit brought by the mode of modern production. A number of farming and breeding experts emerged during the practice and family farms were taking shape.

2) Facility agriculture providing assistance to modern agriculture

A whole set of laying hens breeding system was introduced to Xibaipo laying hens breeding base. Through the said system, by only an electronic device, the temperature, humidity and lighting of the whole enclosed chicken house could be managed automatically. Under the accurate management of environment, chicken were found to be healthier and the use of medicines was less which well contributed to the high quality of the eggs. The automated sorting line would clean, dry, sterilize and carry out crack detection and color classification to each and every egg as well as sort them in accordance with different standards. Information of each egg will be recorded by computer system automatically for future reference. The modern breeding mode with leading technology sets an example to the upgrading of the poultry eggs industry in China.



Responsibility

3) Mechanism connecting with the interests of the farmers makes farmers the true beneficiary of modern agriculture

Agriculture supporting purpose of hope towns is to improve the agricultural output benefit, to promote the transformation of local agricultural development mode to the direction of recycled ecological agriculture by using innovative, reforming and scientific methods so as to change the traditional mode of the rural economy, to increase the farmers' incomes and to fundamentally improve the farmers' quality of life. Hope towns vigorously supports crop production and breeding industry with rich local characteristics which comply with China Resources' industry development; they carry out vocational training and technical guidance to the residents of the towns in priority, besides, they provide the farmers seedlings on credit and purchase and sell their products uniformly and form a close mechanism connecting with the interests of the farmers. In Haiyuan cattle breeding base, 3,000 cows will be provided to the farmers on credit each year and cattle purchase loan of RMB6,000 for each cattle will be provided to the farmers. Farmers can repay the loan by feeding cattle and breeding



Jinzhai Base – Panorama of Sample Plantation

calves as well as expand their production scale. Meanwhile, they also provide the market beef products with quality assured. It is only because that we're caring for agriculture, rural development and farmers, hope towns can be thriving in many places in China and will spread in more and more places in the future.

4) Farmers' Voice



Seasonal worker Jiang Zifeng (Right, Front) working in the plantation

1) Jiang Zifeng (Villager): "Lands of our family were left uncultivated in former years, because I'm too old to climb up and down the hills. China Resources plans to plant kiwi here and our lands are no longer with lush grass. I can get reasonable soil rent. As a seasonal worker I can do some light work in the kiwi plantation and get my own salary. For an old woman, my income is about to catch up of that of my child working in big city."

2) Wu Zhangbin (Director of Industrialization Division of Jinzhai County Agricultural Technology Extension Service Center): "Jinzhai County locates among the Daibie Mountains. With its unique location, there are many local specialties like Chinese chestnut, camellia oil, organic rice, Guapian tea and kiwi fruit wine, etc. Though we have high quality products, we don't have good distribution channels and cannot open the market to promote our brand for all those years. From December of last year, CR Ng Fung organized actively our products to connect with the supermarket, now agricultural products of our county have been on the shelves in supermarkets. We hope to cooperate with CR Ng Fung to further develop the agriculture industry of our county and make it stronger and larger in scale."



Wu Zhangbin, Director

Responsibility Leading to Future

1. Overview of Responsibility Culture of China Resources Enterprise

Good faith and compliance are the core values of the enterprise culture of China Resources, which leads the direction of China Resources' overall social responsibility practice. China Resources has also put forward a series of responsibility, culture and idea including the performing of economic responsibility, employee responsibility, customer responsibility, partner responsibility, public responsibility and environmental responsibility; China Resources Enterprise has been actively fulfilling the social responsibility practice under the guidance of the whole idea of China Resources Group.

BETTER
LIFE TOGETHER



Pursuing excellent development, trying the best to forge the good enterprise image of "Trusted by Investors, Beloved by Employees, Respected by Society and Praised by the Public" and to build China Resources a top class enterprise with international competitiveness in the world.

Good faith is the core value, the footstone of culture and bottom line to be kept by China Resources. The Company always operates under law and with compliance and to safeguard the lawful rights and interests of the stakeholder.

- Be honest to shareholders: put the interests of shareholders in the most important place, speak no lies, do no manipulation of account and no actions against the interests of the shareholders, and to create the maximum value for shareholder wholeheartedly
- Be honest to employees: care about employees, respect employees, try the best to create good working environment for employees, pay attention to the occupational health of employees, enhance the career development of the employees and protect all rights and interests of the employees
- Be honest to clients: think in the shoes of the clients and try the best to meet the clients' requirements, provide clients the high quality products and service, create value for clients and develop together with clients
- Be honest to society: seriously perform the social responsibilities, commit to energy saving, emission's reduction and environment friendliness, and actively carry out charity activities and commonwealth undertakings
- Be honest to society: appreciate the relationship with media and enhance the cooperation with the media

Responsibility Leading to Future

2. Communications and Feedbacks of Stakeholders

We attach great importance to the communication of our corporate social responsibilities to all stakeholders, aiming to answer stakeholders' expectations by continuously improving our strategies and mechanisms for the fulfillment of corporate social responsibilities. Through a variety of means including annual and interim reports, shareholders' meetings, press conferences, press releases, company websites and satisfaction surveys, etc., we communicate with our stakeholders in respect of the Group's production, operation, development and social responsibility endeavors. Further, we subject ourselves to the supervision of stakeholders by publishing the social responsibility report.

Stakeholder	Expectations for the Group	Mode of Communication	Response to Stakeholders' Expectations
Government and regulatory authorities	<ul style="list-style-type: none"> To drive local economic development To generate tax income To create jobs To comply with laws and regulations To facilitate production safety, food safety and environmental protection 	<ul style="list-style-type: none"> Meetings Statistics and work reports Exchanges and visits Involvement in the formulation of national standards or laws/policies 	<ul style="list-style-type: none"> Enhancing core competitiveness and sustaining business growth to generate tax income and create job opportunities Compliance with laws and regulations Adoption of effective mechanisms and measures for operational management, improving production safety, food safety and environmental protection standards on a continued basis
Shareholders/ investors	<ul style="list-style-type: none"> Sound corporate governance Results growth Distribution of dividends Investor relations 	<ul style="list-style-type: none"> Annual general meetings Annual reports and interim reports Quarterly financial and operational reviews Announcements and circulars Roadshows, conferences and seminars for institutional investors Other information disclosure channels such as the Company website and response to investors' enquiries 	<ul style="list-style-type: none"> Ongoing enhancement of the Company's mechanisms for decision-making, execution and supervision to strengthen internal control Striving to maintain a satisfactory dividend payout ratio, aiming to strike a balance between profit-sharing with our shareholders and securing cash requirements for sustainable development in future Enhancing information disclosure and communication with shareholders
Consumers	<ul style="list-style-type: none"> Quality products and superior services Food safety Value for money products and services 	<ul style="list-style-type: none"> Channels for customer communication and complaints Customer satisfaction surveys 	<ul style="list-style-type: none"> Making continuous improvements to the quality of our products and services Developing a food quality and safety management mechanism Ensuring supply with transparent prices Product and service innovation
Media	<ul style="list-style-type: none"> To release information in a transparent and timely manner 	<ul style="list-style-type: none"> Company website Press conferences Press releases Media interviews 	<ul style="list-style-type: none"> Maintaining sound communication by providing transparent and timely information to the media

Responsibility Leading to Future

Stakeholder	Expectations for the Group	Mode of Communication	Response to Stakeholders' Expectations
Non-governmental Organizations ("NGOs")	<ul style="list-style-type: none"> To make contributions to NGOs To make contributions to sustainable development 	<ul style="list-style-type: none"> Participation in NGO's conferences/activities Active response to NGO's enquiries Participation in industry exchange conferences, industry standard formulation and policy research conferences and seminars 	<ul style="list-style-type: none"> Communication and cooperation with NGOs
Community and Environment	<ul style="list-style-type: none"> To make contributions in charity and community welfare, Education and culture, Environmental protection Job creation 	<ul style="list-style-type: none"> Publication of the corporate social responsibility report Organization of staff volunteer activities 	<ul style="list-style-type: none"> Enhancing control on energy conservation and waste reduction, and promoting green management and green office Organizing or supporting charity, educational, cultural and environmental activities Participation in CRH's Hope Town Projects Promoting responsible procurement
Suppliers and Partners	<ul style="list-style-type: none"> Cooperation on equal basis with mutual benefits Long-term and stable business relationships 	<ul style="list-style-type: none"> ☆ Cooperation meetings ☆ Supplier assessment mechanism 	<ul style="list-style-type: none"> Conducting open, fair and equitable procurement processes Ensuring open, fair and equitable transaction Signing long-term strategic cooperation agreements
Staff	<ul style="list-style-type: none"> To protect staff interests To provide remuneration and benefits To ensure occupational health and safety To provide training and development To care for staff 	<ul style="list-style-type: none"> Internal website/staff newsletter Staff satisfaction and dedication survey Channels for staff feedback Team training, social activities 	<ul style="list-style-type: none"> Protection of staff interests Comprehensive regime for remuneration and benefits Provision of a safe and healthy work environment Provision of staff training, improving staff development and promotion system and driving employees' career development Caring for staff and setting up staff aid funds

Responsibility Leading to Future

3. Enterprise Increase and Shareholders' Value Promotion Guaranteed by Scientific Management Framework

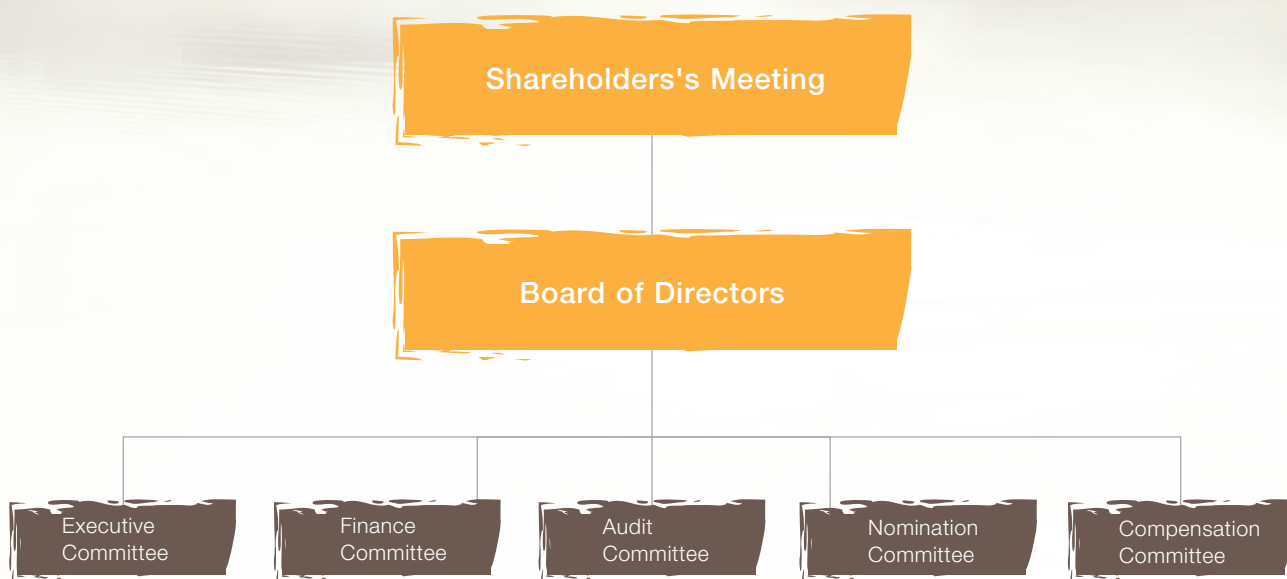
It is the firm belief of the Company that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholder's value. The Company is committed to attaining and maintaining high standards of corporate governance and adopts principles of corporate governance emphasizing a quality Board, open communication and fair disclosure.

The "Corporate Governance Practice Manual" provides for the Company's principles, policies and practices in corporate governance to ensure compliance of our deeds with our Company's vision, mission and values.

The Board comprises 14 directors, including four executive directors (which contain the Chairman, Chief Executive Officer,

Vice Chairman and Chief Financial Officer), five non-executive directors and five independent non-executive directors. Various committees have been established by the Board to administer certain specified functions of the Company's affairs. The main committees include: the Executive Committee, the Finance Committee, the Audit Committee, the Nomination Committee and the Compensation Committee.

The Board meets regularly and at least four times a year (at approximately quarterly intervals) to review the financial performance and discuss the business, etc. of the Group. Between these regular meetings, the Board may also convene ad hoc meetings as and when necessary to discuss and consider (whether or not required by the Listing Rules) matters requiring Board decisions. During the financial year of 2014, 8 meetings (including meetings by way of circulation of written resolutions) were held by the Board. The Board has diligently performed its duties to ensure each operating resolutions to be transparent, open and optimized.



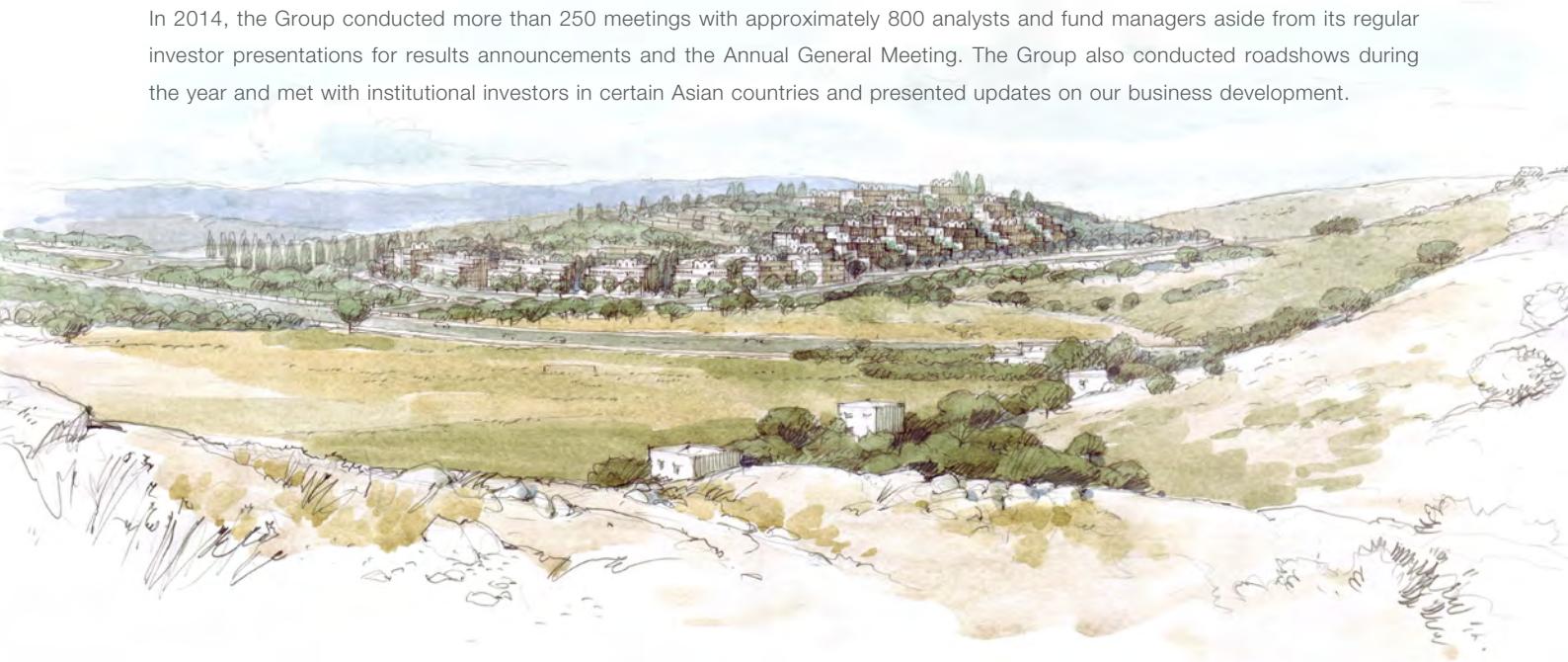
Responsibility Leading to Future

4. Communications with Shareholders and Investors and Emphasis on Voluntary Disclosure

In addition to a comprehensive corporate governance framework, our Group also operates a sound mechanism for communications with shareholders and investors, ensuring that we deliver sustainable shareholders' value on a long-term basis. Our Group has been committed to the provision of the transparent and timely information on our operating performance and significant business developments. For example, we have been publishing voluntary announcements of quarterly financial and operational reviews since 2002, being one of the first listed companies in Hong Kong to provide voluntary disclosures in this regard. Channels for our communication with shareholders and investors mainly include the following:

- Annual and interim reports
- Quarterly financial and operational reviews
- Corporate Social Responsibility Report
- Information required to be disclosed under the *Listing Rules* and the laws
- Reports to regulatory authorities
- Annual General Meetings
- Presentations to investors
- Roadshows and visits
- Other channels for information disclosure, such as the Company website and responses to investors' enquiries

In 2014, the Group conducted more than 250 meetings with approximately 800 analysts and fund managers aside from its regular investor presentations for results announcements and the Annual General Meeting. The Group also conducted roadshows during the year and met with institutional investors in certain Asian countries and presented updates on our business development.



Building a Blessed Home for Employees

People are the most valuable asset of CRE; we pay great attention on employees' cultivation, development, and their physical and moral health through the establishment of systems, the implementation of measures and the promotion of care, we aim to help employees to strike a balance between work and life, enhance their sense of belonging as well as bring their talents into full play for improvement of HR value and strengthening of competitiveness and productivity of the Company.

1. Interests and Rights Protection

We emphasize and observe strictly various regulations and laws on employees' interests and rights protection to protect employees' fundamental rights, improve their remuneration and other welfare treatment. In 2014, the annual leave system was revised for employee in **retail division** and the annual leave standard was improved; to embody the Company's emphasis on human care, enhance the sense of belonging and cohesive force, and diversified welfare for employees was also rendered in holidays and festivals. An open and transparent sunshine policy was gradually introduced to the internal management of **beer division**; employees' performance assessment results were made public regularly; their claims and suggestions were also accepted. Employees in **food division** were provided with the competitive remuneration and an all-facet welfare treatment by setting up an remuneration system and salary adjustment mechanism embodying equality within and competitiveness outside the Company; benchmarking was conducted at a fixed intervals to adjust the Company's salary standard correspondingly; besides, different levels of monthly, quarterly, annual bonuses were also set up for posts correspondingly to boost employees' enthusiasm for work. In the **beverage division**, the adoption of yearly adjustment of salary, multiple incentive plan, additional stimulation plan enable the Company to attract more excellent personnel and encourage meritorious employees.

2. Employees' Growth

We actively provide learning and training chances for employees. In 2014, the **retail division** organized various occupational skills trainings for staffs from grassroots level to leaders; of which, "CR Vanguard Institute" launched a three-year training plan for management trainees which have laid a solid foundation for the successful cultivation of middle-level business manager and subsequently of future high-level successors. The **beer division** provided employees with multiple on-the-job and full-time learning opportunities; established single/multiple channels to improve employees' occupational development; opened up the pilot lean work, and set up employees' skills development systems; over 7,000.00 persons at all levels have received learning and training opportunities. The **food division** intensified the cultivation of talents of various types through the training of skills, professional skills, cultivation of newly recruited employees, building of leadership, etc. to strengthen their education and promote the integration between organization and culture continuously.



Building a Blessed Home for Employees

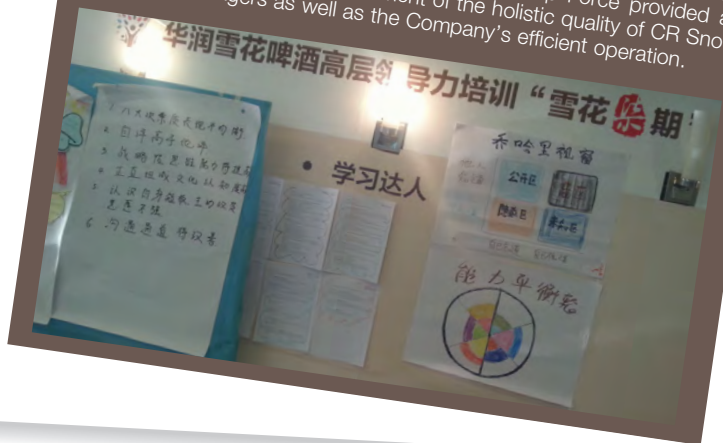
1) CR Vanguard Organized Three-year MT Reeducation Case

From 16 Apr to 20 Apr of 2014, CR Vanguard Institute organized a training class of "Three-year MT Reeducation"; a total of 41 learners participated in the training activity. The courses were composed of four modules: Self Reanalysis, Review of Organization, Reshaping of Skills and Becoming Ambitious Again; the training helped learners to learn the Company' strategy, industrial development trend and successful approach for growth as well as relevant skills to analyze oneself deeply, describe occupational activities accurately and upgrade projects management and employees' management methods, etc.



2) CR Snow Breweries Institute's Training Project for Development of High-level Leadership Capacity Case

Since April 2008, CR Snow Breweries Institute's Training Project for Development of High-level Leadership Capacity has finished its seventh term of training activities which were carried out with concentrated teaching methods through cooperation with professional colleges and training institutions such as Peking University Guanghua School of Management. Learners come from many systems such as production, marketing and function systems of CR Snow Breweries' headquarter and regional branches; a total of nearly 500 person-times have received training in the prior seven terms of training courses. Through the training activities rendered to managers in different regions and multiple systems, CR Snow Breweries Institute's Training Project for Development of High-level Leadership Force provided an effective support to the improvement of the holistic quality of CR Snow high-level managers as well as the Company's efficient operation.



3) CR Ng Fung HR Capacity Improvement Training Camp 2014 Case

From 21 Jul to 5 Sep of 2014, CR Ng Fung HR Capacity Improvement Training Camp 2014 has completed two terms of concentrated training in Shenzhen. 83 full-time HR personnel from the CR Ng Fung headquarters business departments and benefits centers have participated in the training camp. The training activities focused on improving CR Ng Fung HR workers' professional skills to further upgrade HR management efficiency and levels and push forward the development of various businesses of the Company.



Building a Blessed Home for Employees

3. Occupational Health and Safety

The Company pays attention to employees' physical and mental health and devotes to providing safe and harmonious working environments through various measures to safeguard employees' occupational health and safety. Safety training and education for employees has been carried out in **retail division** within the year to safeguard employees' safety and rights. The newly recruited employees were trained with three-class safety trainings; the transferred employees were given instructions about safety usage and operation on new posts; the functional officials were lectured with health knowledge which enabled them to be fully aware of their individual health conditions respectively as well as to prevent and control diseases effectively; and to be engaged in their work and lives in a satisfying physical condition and mindset. In **beer division**, occupational hazards recognition, assessment and control work were conducted to intensify the health training and monitoring of working staffs, the provision of individual preventive accessories and usage management, to perfect continuously occupational hazards prevention facilities and inspect, assess and eliminate occupational hazards. In 2014, a total of 233,079 person-times have received safety education and training, 35,827 person-times whose jobs were involved with safety factors has received relevant education and training; 4,887 safety inspections at all levels have been organized; a total of over RMB45 million have been put in specialized safety funds which are used for the improvement, reformation and maintenance of safety prevention equipment and facilities, the assessment and rectification of dangerous source and hidden hazards as well as the further improvement of safety operation environments and safety production conditions. To protect employees' occupational health, the engaged workers shall, before they take their

respective jobs, on the jobs and leave their jobs, all undergo the occupational health examination and record their respective physical examination results into the occupational health archives. In 2014, the coverage rate of employees' physical examinations was 100%. In the **food division**, under reasonable and feasible circumstances, the safety of employees' working environment was actively guaranteed, including the continuous following-up the operation and improvement of OHSAS 18000 occupational health management system certification. The division also provided guaranteed healthy working environment for all the employees through annual physical examinations and occupational diseases screening examinations; of which, a total of 405 person-times have received occupational diseases screening examination. In addition, we pay great attention to environmental health and safety education and training. The training courses of 2014 increased knowledge of firefighting and safety, home security, transportation safety, natural calamity, food safety and occupational health for the newly recruited employees. In the **beverage division**, humanistic care and psychological persuasion were emphasized to relieve employees' stress and strengthen employees' sense of belonging; relevant activities held in festivals and holidays, in particular, might enhance interactivity among employees and their sense of happiness. At the same time, the management, prevention, and control of employees' occupational health work shall be strengthened, the damages caused by occupational hazards on employee's health shall be eliminated to safeguard their physical and mental health.



Building a Blessed Home for Employees

4. Staff Care

The Company continues to implement various measures of promoting care to our employees. Under the cultural guidance of “Commending Employees for Their Merits, Extending Thanks to Employees and Making Employees Feel Blessed”, the **retail division** held more than 200 activities in “Employees’ Week” at the headquarters and different business divisions concurrently, over 150,000 person-times participated in those activities representing 100% of coverage rate. In **beer division**, diversified activities such as employees’ sports games, excursions, outdoor trainings and the like were organized which not only rendered employees good health but also deepened emotional communication between the Company and employees, activated the Company’s cultural and recreational atmosphere. The **food division** adhered to the creed of “Enterprise’s Development Depends on Employees’ Happiness”; during the period of festivals, the managers visited the needy employees and expressed their care with relief payment and daily items such as grain and oil, which made the needy employees feel the warmth of the big corporate family. In **beverage division**, the high-level leaders got closer to grassroots and tried every possible means to solve employees’ real problems by integrating the awareness of “Visiting Grassroots and Caring Employees” with daily work, listening to the voices of grassroots, sharing employees’ living and working feelings and learning about their thoughts in order to help them solving the practical problems. In addition, the Care and Mutual Assistance Foundation was established in each business division to provide assistance to the needy or sick employees as well as create a corporate culture of unity and mutual assistance.

Sichuan Ng Fung Li Hong Delivered Care to the Needy Employee’s Family

Case

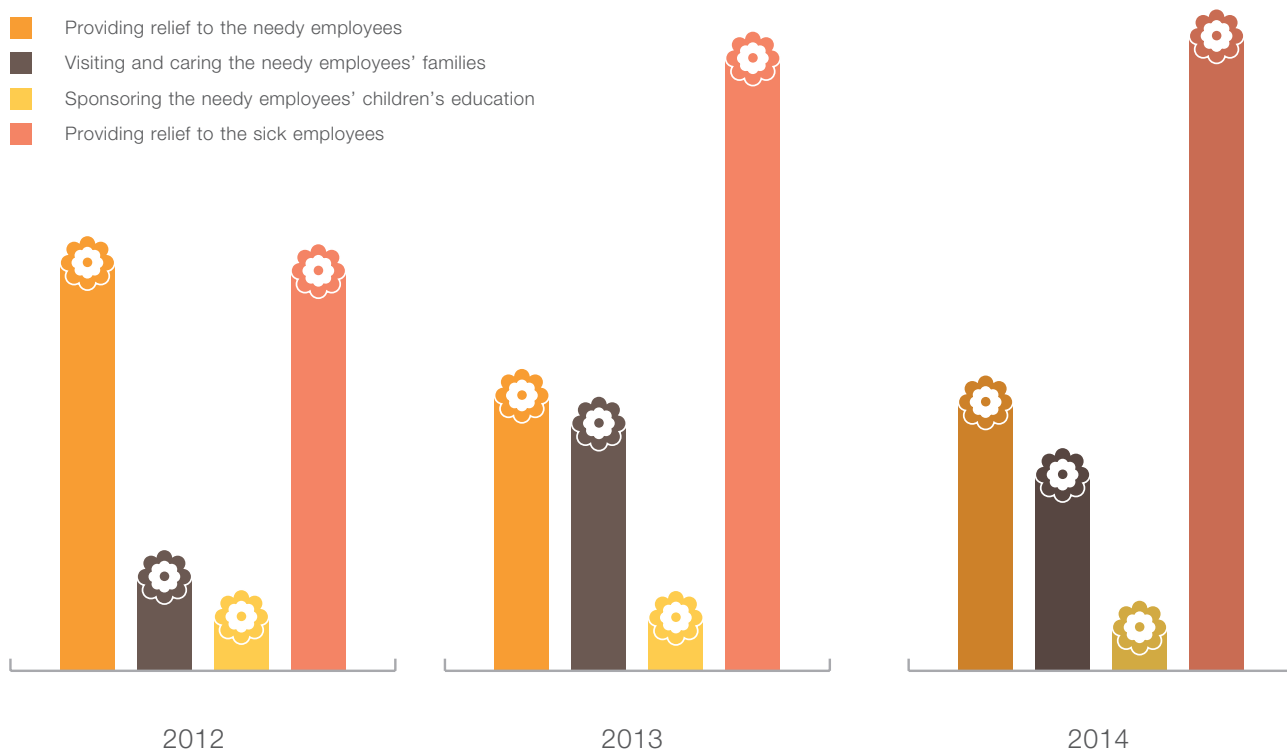
In the harsh winter of 2014, the wife of the employee Zhu Moran with Sichuan Ng Fung Li Hong developed a sudden gestational hypertension in the seventh month of pregnancy and was hospitalized in the Obstetrics and Gynecology Department of Ya’an Hospital; she gave birth to male twins who weighed 1,600 grams and 1,800 grams respectively; as the two babies were weak in vital signs, the mother and the children were placed in the intensive care unit and neonatal incubator separately. A few days of hospitalization took the family over RMB60,000 worth of medical fees which reduced Zhu Moran to a severely difficult position coupled with his laid-off mother, jobless wife and rural residence conditions. After the Company learnt about the employee’s difficult conditions, it adopted a series of relief measures, including the grant of relief fund, application for relief fund to the county labor union and call for donations from the other employees, etc. Now, the wife and children are recovered and discharged from hospital!



Building a Blessed Home for Employees

Statistical Data of Employees' Relief Projects:

Relief Project	2012		2013		2014	
	Person-times/ Household	Amount (HKD ten thousand)	Person-times/ Household	Amount (HKD ten thousand)	Person-times/ Household	Amount (HKD ten thousand)
Providing relief to the needy employees	1,211 person-times	252	1,222 person-times	178	1,434 person-times	177
Visiting and caring the needy employees' families	736 households	57	834 households	160	1,828 households	129
Sponsoring the needy employees' children's education	286 person-times	33	247 person-times	34	210 person-times	27
Providing relief to the sick employees	1,201 person-times	247	1,080 person-times	396	1,197 person-times	417



Providing Quality Products and Services for Customers

1. Customer Management

Our Company has been constantly pursuing excellent management, with a customer-oriented management idea established. Our quality products and service have been accepted in this industry. For example, from 2005 to 2014, “Chinese Arts & Crafts” subordinated to our Company was chosen as “the best service retailer” of Department Store Category “Mystery Shopper Program] of the Hong Kong Retail Management Association for ten years in a row, with “virtue, dignity, inheritance and perfection” as the brand commitment, thus our quality products and service gained more and more praise, popularity and accreditation.

2. Focus on Food Safety and Product Quality

It is our mission to provide safe and carefree products for customers. Our Company has always required all the divisions to strictly observe the quality indexes to respond to the masses’ increasingly improved demands on food safety and products quality. In 2014, the **retail division** made further efforts to improve food safety management level in every store by cooperating with an internationally-known third-party inspection and certification authority for effective implementation of every management system and standard of food safety. Moreover, many food appreciation meetings were held at the shops of the state where people could have a comprehensive understanding about quality of fresh food from raw material and fabrication process, etc. All this reflected our high attention to food safety. **Beer and food division** was strictly managed and controlled in accordance with ISO22000, ISO9001, HACCP, GAP, etc. for benefit of customers. For **beverage division**, through forming the joint review and assessment group, we strictly reviewed quality, safety and management of all the plants from basic hardware facilities, warehouse management, quality control program, safety system (including food safety and environmental health and safety) and field management and performed product quality control throughout the process.



Providing Quality Products and Services for Customers

3. Supply Chain Management

Our Company has established stringent internal guidelines for supply chain management for all our business units in order to secure the quality of our products. **Retail division** demanded suppliers to upload licenses of enterprise qualification, commodity inspection, etc. to database of VSS network certificate-request system for share of shops nationwide and for the purpose of tracing to production bases in order to instantaneously reflect the materials and product safety message of every production base. Besides, suppliers were reviewed on production field at regular intervals, among which approved suppliers were granted [CR Vanguard OEM Certification Plant Certificate] to ascertain service level of suppliers. A supervising team for raw material purchase was set up in the **beer division** to strictly supervise from raw material production place to process place to guarantee products quality and extended management of quality and to monitor and manage quality risks from the sources. Sunlight long-term mechanism of purchasing materials was set up in **food division**, with *Tendering Procurement Management System* strictly performed, adopting the model of tendering and bidding procurement as priority supplemented with comprehensive comparison of procurement models, on the principles of fairness, justice and publicity. The vision and requirements of performing social responsibility was wholly integrated in the overall process of purchase in the beverage division, for evaluation of suppliers' service quality, social responsibility, quality management, field management, etc. According to supply and demand, new suppliers on the public platform were screened for the establishment of database of alternative suppliers. For suppliers which failed to provide relevant documents of environmental evaluation were not allowed to pass qualification examination and approval.

4. Consumer Rights and Interests Protection

Specific customer service hotline and customer complaints mechanism were set up in the four divisions of our Company to provide professional consultation and service and more importantly, satisfactory after-sale service for customers to promote customers' satisfaction. We carried out comprehensive analysis and improvement at regular intervals for continuous improvement of products and service quality. Client/Customer satisfaction assessment was carried out in the **beverage division** for 11 years in a row early from August 2004 to August 2014, accumulating more than 25,000 samples and huge amounts of continuous and complete assessment data, which served as important basis to constantly monitoring and improving C'estbon Brand/market performance of products, retail terminals of C'estbon and service level of distributors at different levels.



Growing Together with Partners

1. System Management

To promote fair competition, standardize tendering and bidding activities and enhance transparency of tendering procurement, the four divisions under the enterprise worked out and publicized their tendering procurement systems respectively according to individual business conditions. For example, C'estbon set up supplier's management standard on the basis of tendering and bidding procurement systems, held suppliers meetings at regular intervals and purchase system training, issued suppliers management documents and implementation standards and reported supplier's evaluation results at regular intervals for positive improvement. Meanwhile, we optimized the models of supplier selection: the best suppliers were selected for concentrated purchase according to multi-faceted analysis including production capacity, price, transportation mode, distance of supply, facilities, actual strength, etc.; meanwhile, we sorted main, supporting and alternative suppliers by negotiated price and comprehensive analysis of cost of suppliers to guarantee supply and stability of price. Moreover, we optimized the database of suppliers to provide informational support on suppliers' management and purchasing decisions by using BI purchasing statistics analysis system. Finally, we clarified customer management standards by further ascertaining channel customers' standards on safety inventory, capital strength, etc and thus forming the uniform standard of customer development. Finally we made standardized classification of terminal customers to promote optimization of route and perform differentiation of sales.

2. Helping Partners Growing Together

Under a business environment with much room for improvement, all-around and multi-level evaluation of suppliers from their service quality, social responsibility, quality management, field management, etc were performed to push forward industry progress and enterprises development and achieve mutual growth.

China Resources Snow Breweries adopted the cooperative distribution model "manufacturer – operator – distributor – terminal" Case

Many distributors which cooperated with China Resources Snow Breweries enjoyed the process of growth from idle personnel, unlicensed operators and individual entities to regular trading companies and wholesalers, especially in earlier markets, the business scale (beer turnover) of many distributors has increased to varying degrees.

For those distributors' well-organized development, the salesmen at all levels provided guidance, design and help to those distributors in business mode, profitability, management method, etc. at regular intervals. Excellent distributors were organized to "go out" to acquire the operation and management experience of fast-consumption products channels from other provinces and economically well developed areas. We helped those distributors with certain scale to carry out formulation of annual budget, business plans and development programs for their regularization. Moreover, we held year-end distributors commendation meetings every year to choose excellent distributors' representatives to introduce their experience for improvement of the whole distributors' group.

During the past years, many distributors enjoyed growth with the development of this enterprise, and they played an active role in local taxation, laid-off persons' placement, governmental poverty relief, etc. and even became representatives of NPC & CPPCC and commercial leaders with positive dedication to social development.

Create Ecological and Sustainable Development



Snow Breweries Charitable Walkathon for Sand Prevention and Treatment

1. Environmental Protection

Our Company has always focused on the reduction of environmental impacts by the business operation, and practiced the policies on environmental management and resources conservation. In July 2014, *China Resources Vanguard Energy Conservation and Emission Reduction Control Guideline* was firstly formulated in **retail division** and became the standards for daily management of stores; a series of measures to reduce energy consumption were adopted, such as, technically transforming central air-conditioning, adopting lighting technology which can save more energy and introducing cold chain remote monitoring system, and these measures can efficiently save energy as well as raise the operation efficiency. As for the **beer division**, in 2014, about RMB27 million was invested in energy conservation and emission reduction and more than 30 projects for energy conservation and emission reduction were implemented, and internal management index of pollutants emission which was stricter than national or local governmental standards were made; in the production process, focuses were placed on the energy conservation and emission reduction and realization of clean production and sustainable use of recycled resources. As for **food division**, we implemented more than ten key projects of environmental protection and energy saving, including boiler room dirt catcher transformation reducing the dust pollution in the air; transformation of the base power room for lowering noises; replacement of ink-jet printer with laser printer for reducing ink pollution and newly built breeding farm drainage settlement and other projects, of which the total invested capital amounted to approximately RMB7 million. In respect of **beverage division**, we actively responded to national policies and continuously promoted sustainable development, refined the management together and seriously implemented the works of energy conservation and emission reduction. In 2014, we organized and implemented more than 30 bigger energy conservation and emission reduction projects with more than 1.9 million tons of water, 690,000 kilowatt hours of electricity and 60 tons of coals being saved in one year.

2. Participation and Promotion in Environmental Protection Activities

Beside energy conservation and emission reduction, the Company also continuously participates and promotes environmental protection, and strengthen public environmental awareness. In 2014, the four business units of our Company all enhanced the staff's awareness for energy conservation and emission reduction through the implementations of "World Environmental Day", "Energy Saving Week", "National Low Carbon Day" and other themed environmental protection and energy saving activities; including, in **retail division**, we responded to the call of State Council's *Tibetan Ecological Safety Barrier Protection and Construction Plan* and implemented the environmental activity themed with "Lux Green Khatags, We are in Action" together with more than ten million of consumers in more than five hundred stores in six regions in China, and planted green grass of 300,000 square meters in Ding Village, Xigaze QuBuXiong Township in Tibet. In June 2014, the **beer division** organized and held Charitable Walkathon for "Sand Prevention and Treatment". We organized the staff to go to the sandy land of Hake Town in Hailaer District to plant bushes and settle the sand issues and contribute to the grassland. The beverage business co-hosted "Pure 'Water Ecology' "with China Beverage Industry Association, and China Resources C' estbon in Action Higher Forum activity and actively promoted all parties to be in participation in "Pure 'Water Ecology' ".

Community Care and Engagement in Public Welfare

The Company has committed to participate in public charity affairs with the spirit of social care, and supporting the communities in need in different forms. We encourage our employees, customers and suppliers to actively participate in public charity activities together, involving a number of areas of cultural conservation, poverty alleviation and disaster relief fund-raising, so as to promote community building and reward the community.

1. Community Care and Rescue after Disaster

In June 2014, the Company sponsored the charity walking of “Cheer for Life” held by Hong Kong Charity Rainbow Foundation, and activity funds raised was used to assist orphans, children with cancer, and from poverty, children of single parents and families of problem. In addition to contributions, the staff members and their families actively participated and accompanied the disadvantaged children to walk around Hong Kong Ma Wan for a week in expression of care as well as helping them recognize the relics and historical culture and the importance of promoting the culture of conservation. In addition, the Company continues to focus on the elderly needs, to help elderly people living alone. We are actively involved in volunteer activities in various operational areas of China. Among them, the **retail division** worked with charity group YUANYU HOPE and supported the eighteenth “Seniors Hope Day” it hosted. Several volunteer teams of “Hong Kong CR Vanguard Vanguard” supermarket stores organization carry “lucky bags” to visit the elderly in the region.

In 2014, many major natural disasters occurred in China, as China’s leading retail giant, China Resources Vanguard sent relief materials such as foods and articles amounted to RMB100,000 to Yunnan Zhaotong Ludian after the earthquake with 6.5 magnitudes and met with the residents’ basic life needs. The **beverage division** also spared no efforts and donated 58,460 boxes of C’estbon pure water for all disaster areas in accumulation in the whole year.

The Company continues to actively participate in the donated “CR Hope Township” project by parent company of China Resources (Holdings) Co., Ltd. Through utilizing self-business features, and playing the unique advantage of multiple businesses, the Company successfully enhanced the local rural people’s living conditions. Looking back to 2014, the production and management of hope towns at all places made obvious progresses. For example, the **food division** developed agricultural core growing areas, and vigorously developed farming scale of chicken under the forest in Baise Hope Township, successfully providing more than 4,000 jobs for local farmers; **beer division** subsidiary of China Resources Snow Breweries Company fully involved in Zunyi, Tucheng CR Hope Town building and invested RMB1 million to build mass culture plaza, providing a recreational gathering broad platform for town residents.



C'estbon sent water for all disaster areas



China Resources Enterprise Headquarter sponsored the charity walking of “Cheer for Life” at Ma Wan



Plan of Zunyi Tucheng Snow mass culture plaza

Community Care and Engagement in Public Welfare

2. Contributions in Education and Culture Protection

Promoting education and culture preservation is another focus of our practice in corporate social responsibility. The “Pacific Coffee” under the flagship of retail division of the Company contributed RMB660,000 in total through Sowers Action to finance the construction of one two-floor teaching building for Xingfeng central primary school. To commemorate this donation charity, the school building was named “Pacific Coffee Sowers Action Hope Teaching Building” and the building was completed in Gansu formally on 10 October 2014. China Resources Snow Breweries Qinghai-Tibet regional companies under the **beer division** implemented “2014 Snow Love in Assistance to Students’ Activities” and supported the college student fees in the last school year for students in poverty-stricken families with excellent grades in colleges in Gansu Province and assisted the college students in related major in the job arrangements. “2014 Snow Love in Assistance to Students Activities” assisted 100 students in total with the total donation of RMB600,000. It is the 8th consecutive year for **beverage division** to hold China Resources C’estbon 100 Libraries Program and themed with “1+1, Sending Books for Care”, besides donating libraries for areas in devoid of educational resources, it organized the media to jointly hold activity of “100 Libraries Books List” and invited citizens to recommend books. It organized nearly 3,000 books donation activities to raise over 600,000 books. As at the end of 2014, 132 China Resources C’estbon libraries in total were built in 18 provinces and cities all over China and more than 1 million teenagers and children were benefited from the libraries. Combing with self-brand core value of “trust and share”, China Resources C’estbon set up a sky for dream for children in the rural areas with responsibility and love.

3. Charitable Activities

The Company continued to participate in various community charitable activities, and obtained recognition from all fields. Pacific Coffee as flagship of retail division supported the Hong Kong Children’s Heart Foundation’s Charitable Walkathon for three consecutive years. In October 2014, Hong Kong Pacific Coffee continued to support and participated in this charity volunteers services for children with congenital heart disease. In 2014, **beer division** successfully held the 6th “Snow Pure • Ingenuity Chinese Ancient Architecture Photo Contest” and attracted more than 136 million people with more than 2.38 million of entries from home and abroad participating, becoming the largest photography event, and retained precious video recording for Chinese ancient architectures, causing concerns at local and abroad to China’s ancient architecture and cultural heritage conservation, and boosting the popularization and inheritance of knowledge of ancient buildings. In addition, China Resources Snow became the only formal beer sponsor for the 2022 Winter Olympics in Beijing with its huge brand appeal and influence to show China’s soft power in the international arena. In 2014, **beverage division** provided public welfare support to “Water Fairy Tale” environmental picture solicitation activity sponsored by Xinhua News Agency “China Famous Brands” magazine. In December of the same year, the activity held new book release press conference in Beijing successively. This action carried forward the power of care of China Resources C’estbon and made a contribution to the development of educational career.



Unveiling Ceremony of Press Conference for C’estbon “Water Fairy Tales”



Opening of 2014 Snow Pure Draft Photography Contest Shandong Area



News conference themed with “Enjoy Winter Olympics and Snow” for Snow sponsoring Winter Olympics Products Packages of Winter Olympics being unveiled



Awarding students for prizes in C’estbon “Water Fairy Tales”

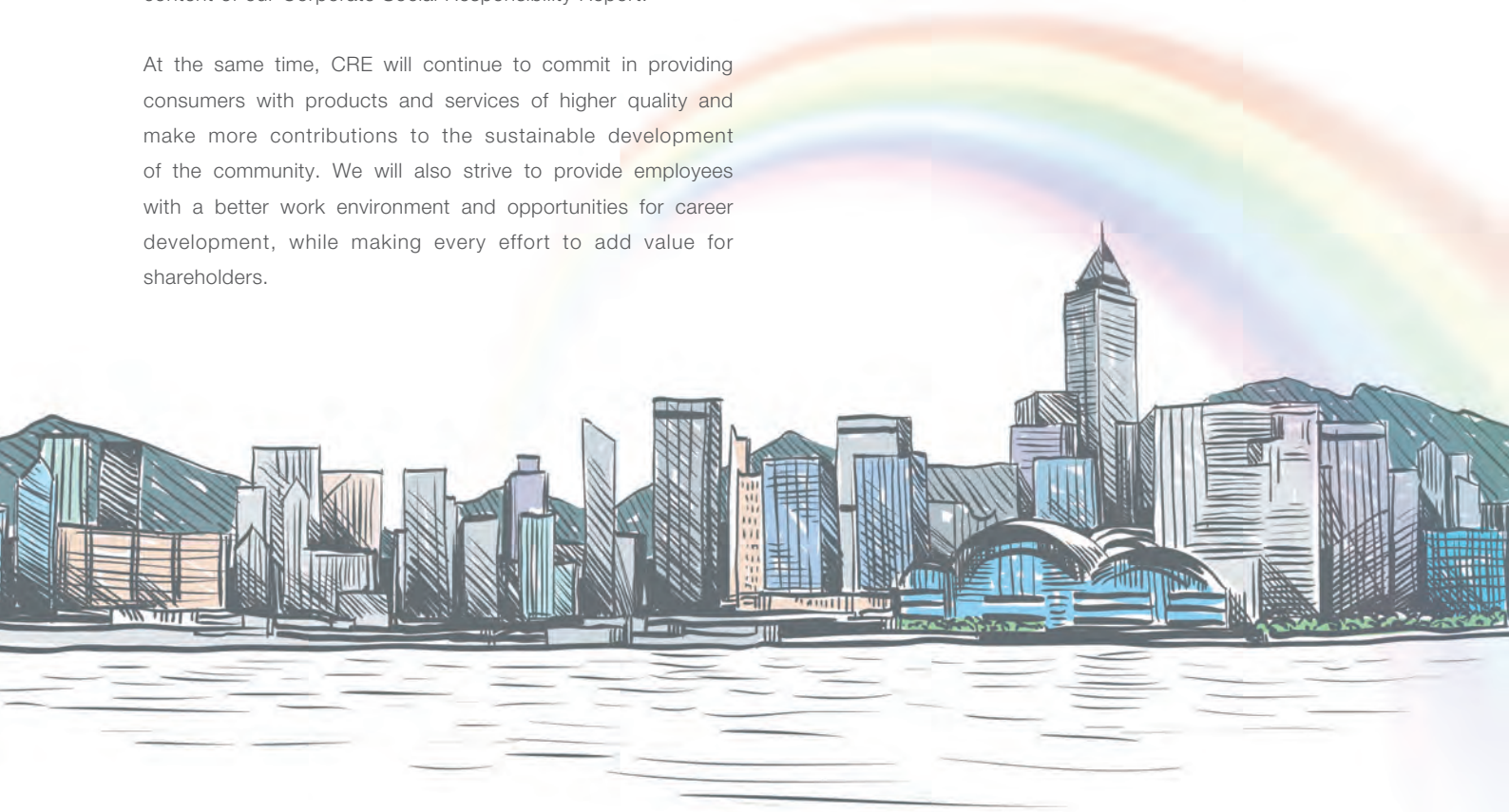


Pacific Coffee supported the Hong Kong Children’s Heart Foundation’s charity walking activity

Prospect

In 2015, we will continue to improve our mechanism for the administration of corporate social responsibility, focus on core business, establish and optimize social responsibility indicator system, strength the implementation of our Company's social responsibility by putting into practice with enhanced regulation and planning, and thus enabling our values in social responsibility to be better reflected in our day-to-day operations. Furthermore, we will continue to communicate proactively with our stakeholders to enrich and enhance the content of our Corporate Social Responsibility Report.

At the same time, CRE will continue to commit in providing consumers with products and services of higher quality and make more contributions to the sustainable development of the community. We will also strive to provide employees with a better work environment and opportunities for career development, while making every effort to add value for shareholders.



Key Performance Indicators

Key Performance Indicators	2012	2013	2014
Protection of Employees' Rights			
Total number of staff (excluding associated companies)	211,000	217,000	256,000
Employment of additional staff	11,000	6,000	41,500
Employees contract signing rate*	100%	100%	100%
Social insurance/provident fund/mandatory provident fund coverage *	100%	100%	100%
Percentage of female senior management	17%	18%	21%
Disability employment (no. of persons)	898	1,264	1,296
Coverage of staff training	96%	99%	100%
Investment in training per capita (HK\$)	308	357	1,322
Hours of training per capita (hours)	17	26	23
Production Safety			
Number of work injuries	1,236	1,164	1,133
Fatal casualties in workplace incidents	2	0	3
Coverage of medical check-up*	60%	66%	84%
Number of occupational illness	0	0	0
Safety training person-time	821,147	1,426,190	1,396,865
Investment in production safety (HK\$)	119,780,000	105,270,000	181,550,000
Coverage of safety training	96%	99%	100%
Number of emergency drills	6,275	8,265	9,280
Other Indicators			
Charitable donations (HK\$)	10,000,000	8,000,000	15,600,000
Complaints handling rate	100%	100%	100%
Responsible procurement rate**	98%	99%	97%

* Calculated on the basis of full-time staff

** Responsible procurement means that relevant terms in one or more social responsibility focus areas (e.g. product quality and safety, green environment, staff rights, prevention of commercial corruption, etc.) are set out in procurement contracts of the Group.

Appendix

Feedback

Dear readers,

Thank you for reading this report. For continuous improvement of the social responsibility work and social responsibility report production work of China Resources Enterprise, Limited, we are extremely looking forward to listening attentively to your opinions and suggestions. Please give assistance to finish the following questions on feedback by faxing us at 852-25988453 or by mailing us at info@cre.com.hk.

1. Your general evaluation about the Corporate Social Responsibility Report:
 good constrainedly good average

2. In your opinion, whether or not can this report reflect significant influence on economy, society and environment brought by this Company
 can average I do not understand

3. What do you think of clearness, accuracy and integrity of the information, data and indexes published in this report
 high constrainedly high average relatively low low

4. What do you think of the performance of this Company at serving customers and protecting interest of relevant parties
 good constrainedly good average poor I do not understand

5. You are welcome to put forward other opinions and suggestions on the social responsibility work and this report of this enterprise:

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