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# Benefiting the Nation and Creating Better Life

China Resources (CR) Enterprise Social Responsibility Report 2019



China Resources (CR) Enterprise  
**Social Responsibility**  
Report  
**2019**

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# A Letter from the CEO of CR Enterprise to Stakeholders

## Distinguished stakeholders,

China Resources (CR) Enterprise Social Responsibility Report 2019 is the seventh social responsibility report of CR Enterprise. We hope to present the concept, actions and results of our social responsibility in 2019 to all stakeholders in a comprehensive, multi-angle and in-depth manner through this report, and let you feel our constant original aspiration and responsibility.

The year of 2019 was the 70th anniversary of the founding of the People's Republic of China. After several generations of hard work, China has become the world's second largest economy and the second largest consumer market. It was also a year of turbulence with risks at home and abroad increasing significantly, and the international situation becoming increasingly complicated. In this market environment full of challenges and uncertainties, CR Enterprise is fully committed to its management theme of "transformation, quality improvement, stable development and innovation", promotes strategic transformation, focuses on main business, optimizes resource allocation, builds a smart platform, enhances brand value, strengthens benchmarking management and improves operational efficiency; actively fulfills social responsibilities, devotes to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, promotes internationalization, conducts innovation and coordination, and ensures supply to Hong Kong; responds to "changes" with "stability", and seeks success in difficulties. As a result, our business performance is in steady progress and operating profits have increased significantly, achieving high-quality development.

**CR Enterprise works with shareholders to create optimal corporate value.** Closely focusing on the management theme of China Resources Group, namely, "transformation, quality improvement, stable development and innovation", CR Enterprise responds to "changes" with "stability", constantly improves and standardizes corporate governance, strengthens compliance awareness and bottom-line thinking, and continuously promotes the Company's excellent operation system and lean culture construction, and helps the Company achieve high-quality development by strengthening process control, consolidating operation foundation, improving platform construction and promoting management innovation. In 2019, the Company's operating income reached HK\$ 63.739 billion and rewarded the trust of shareholders with good performance.

**CR Enterprise works with customers to earn satisfaction and trust.** As important enterprises closely related to people's lives, retail companies of consumer goods are directly related to people's quality and level of life. CR Enterprise and all its businesses continue to work hard in the field of people's livelihood and adhere to consumer orientation, and improve the weak links in the customer area and issues of consumer concern. In 2019, CR Enterprise continued to promote product quality improvement in key areas such as food and beverage, continued to explore online service channels and capacity building, continued to increase investment in research and development, and promoted product and service innovation to provide consumers with rich, safe and healthy products and services, and continue to meet the diverse needs of consumers.

**CR Enterprise works with partners to create a new situation for win-win development.** CR Enterprise continues to deepen its cooperation with internal and external partners, and promotes the co-construction and sharing of resources. In 2019, CR Enterprise realized internal collaboration with CR Power, CR Land, CR Env Protection, CR Textile, CR Gas and DEEJ, and achieved strategic cooperation with Heineken, Fenjiu and Guangzhou Pearlriver AIC, IBM and other enterprises. In particular, CR Beer acquired Heineken business in China, formally moving towards the high-end market and exploring a new way for Chinese brands to go global at the current stage of high-quality development. At the same time, CR Enterprise is committed to building a responsible value chain, creating and maintaining a fair and just market order, promoting industry ecological construction, and helping the industry achieve sustainable development.

**CR Enterprise works with employees to ensure a happy working life.** CR Enterprise regards employees as the most valuable asset of the Company and aims to provide employees with a platform to achieve self-value. With the guiding

principle of "respect employees' value, develop employees' potential, and improve employees' mental state", CR Enterprise fully protects employees' basic rights and interests, builds a layered and graded talent training system, continues to cultivate and import elite talents for the Company and various profit centers, and injects "fresh water" into the Company's operation and development; CR Enterprise attaches great importance to the occupational health of employees, and has issued the CR Enterprise Occupational Health Management Measures, caring for employees' health, establishing mutual care fund to continuously enhance the sense of belonging, sense of accomplishment and happiness of employees.

**CR Enterprise focuses on the environment to build a green ecological civilization.** CR Enterprise adheres to the principle of sustainable development, continuously promotes the construction of a resource-saving and environment-friendly enterprise, and develops a sustainable circular economy; CR Enterprise integrates the concept of green development into all aspects of the Company's production and operation, and continues to increase investment in environmental protection. In 2019, the total investment in environmental protection and management reached HK\$ 171 million; CR Enterprise strictly promotes and implements the requirements for energy conservation, consumption reduction and emission reduction. In 2019, our comprehensive energy consumption decreased by 9.86% year on year, and comprehensive energy consumption per RMB 10,000 output value decreased by 6.87% year on year; CR Enterprise encourages and promotes the construction of green supply chains, advocates and enhances employees' awareness of environmental protection, and continuously strengthens the green development capabilities of the Company and its profit centers. China Resources Snow Breweries (Wuhan) Factory won the Hong Kong Green Enterprise Award—"Excellence Environmental Safety and Health Award" Gold Award, CR Ng Fung Sheung Shui Slaughterhouse won the "2018 BOCHK Corporate Environmental Leadership Award"—"Outstanding Environmental Partner" and "3 Year + Environmental Pioneer Award". Pacific Coffee Hong Kong won the "Friends of Environmental Protection Award" issued by the Hong Kong Environment Bureau.

**CR Enterprise works with the public to promote the harmonious development of society.** CR Enterprise has never forgotten responsibilities of the central enterprise, gives full play to its business and resource advantages, takes the service to people's livelihood as the starting point, carefully lays out the "Belt and Road" business map, and continuously participates in national strategic planning such as the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the Xiongan New Area to promote regional economic and social development; especially in terms of targeted poverty alleviation, CR Ng Fung has taken its own advantages to carry out poverty alleviation in the beef cattle breeding industry in Haiyuan County, helping Haiyuan County formally withdraw from the list of poverty-stricken counties in 2020; CR Enterprise also actively gives back to society and devotes itself to social welfare undertakings. In 2019, its total tax payment was HK\$ 7.462 billion, and charity donations were HK\$ 4 million, contributing to the building of a harmonious society.

At the beginning of 2020, the sudden COVID-19 outbreak in Hubei Province spread across the country and all walks of life faced challenges of varying degrees. As an important "main force" of the people's livelihood industry, CR Enterprise has acted quickly and calmly, integrated internal and external resources, given full play to its own advantages, and fully guaranteed the sufficient and stable supply of consumer goods in Hong Kong and the mainland. At the same time, CR Enterprise has organized the resumption of work and production in an orderly manner, and attached great importance to and ensured the health and safety of every employee, further consolidating the epidemic prevention and control and logistics support, and working together with employees, consumers and other stakeholders to overcome the difficulties.

**No matter how long the journey is, a start will bring an arrival; no matter how tough the work is, an implementation will bring a well done.** 2020 is a crucial year for the great rejuvenation of the Chinese nation, a year of building a moderately well-off society in an all-round way and achieving the "Two Centenary Goals", as well as the final year of the "13th Five-Year Plan" and the beginning year of the "14th Five-Year Plan". It is destined to be an extraordinary year, and CR Enterprise will continue to use the pioneering and innovative courage and perseverance to meet the people's longing for a better life, and strive to become a national strategy bearer and a practitioner of the reform and opening-up policy, a leader in innovation and transformation, a creator of a better life, making unremitting efforts to serve the people's livelihood!

--Jian Yi, CEO of CR Enterprise





# Memorabilia 2019



In March 2019, Pacific Coffee cooperated with the HKCT Institute of Higher Education to carry out the first training program "Fulfill Your Dream through Coffee-Pacific Coffee x HKCT Institute of Higher Education @ Greater Bay Area".

2019.3

In April 2019, CR Enterprise established a wholly-owned subsidiary-- Shenzhen CR Enterprise Zhixin Technology Co., Ltd., which empowers the consumer goods industry and key fields with science and technology and provides intelligent and information services for marketization.

2019.4



CR Ng Fung Sheung Shui Slaughterhouse won the "Outstanding Partner of BOCHK Corporate Environmental Leadership Awards" certificate in the third consecutive year.

2019.5



The sixth social responsibility report of CR Enterprise was released.

2019.6



Haiyuan Hope Town won the honorary title of "Youth Civilization Project" of central enterprises in 2019.

2019.7



In September 2019, CR Enterprise held the 2019 Public Open Day themed "Into China Resources, Create a Better Life".

2019.9



In December 2019, the "China Pepper Expo Park" was built, becoming one of the core industrial tourist attractions in the food industrial park where Sichuan Lihong is located and one of Hanyuan's business cards.

2019.12

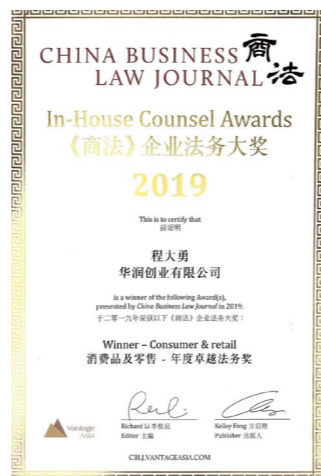
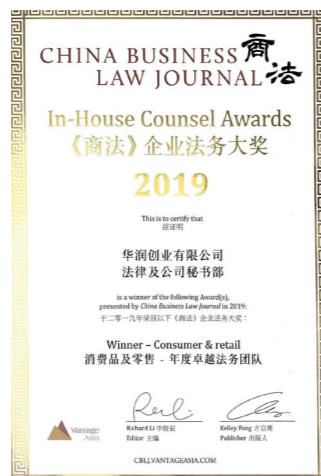
CR Enterprise won the "2019 China Best Employer - Shenzhen Best Employer" award in the third consecutive year.

2019.12



CR Beer completed the delivery of its acquisition of 7 companies of Heineken in China.

2019.4



CR Enterprise won the First In-House Counsel Awards provided by China Business Law Journal (CBLJ), and won two group awards including "Annual Outstanding Legal Team" in the field of consumer goods and retail and "Annual Good Legal Team" in the field of intellectual property; General Counsel Cheng Dayong of CR Enterprise won three individual awards at the same time.

2020.1



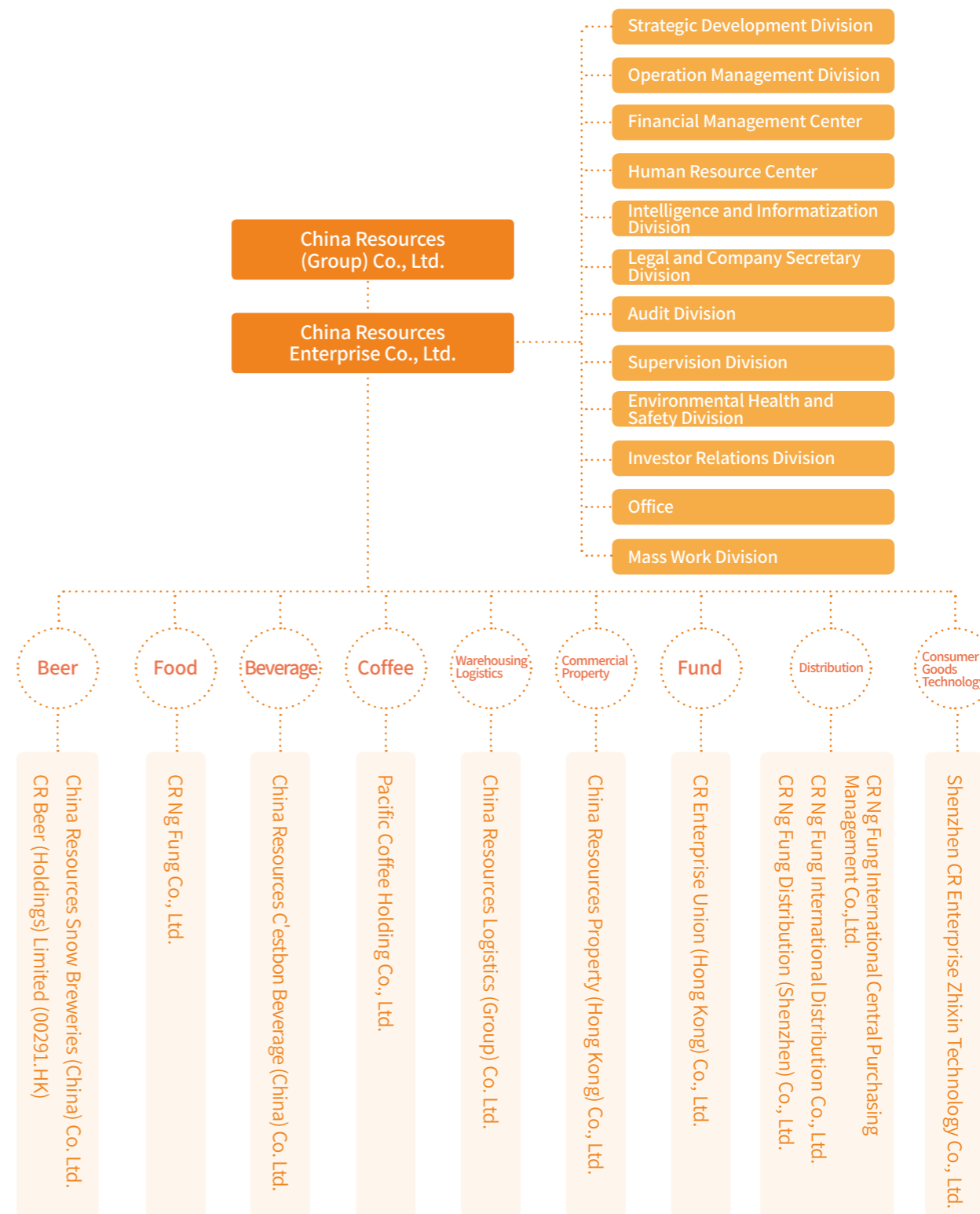
# Into CR Enterprise

## About CR Enterprise

Founded in 1992, China Resources Enterprise is a flagship company of China Resources (Group) Co., Ltd. in Hong Kong engaged in comprehensive consumer goods and retail services.



## Company Structure



DEVELOPMENT HISTORY

**1992** China Resources acquired Yongdali Enterprise Co., Ltd. and changed its name to "China Resources Enterprise Co., Ltd.", which became the first batch of Chinese-funded enterprises listed in Hong Kong and mainly investing in real estate properties.

**1993** It established China Resources (Shenyang) Snow Breweries Co., Ltd. with Shenyang Breweries to set foot in the beer industry.

**1994** A joint venture agreement was reached with South African Breweries Group to jointly expand the Chinese beer business (South African Breweries Group acquired Miller Brewing Company in 2002 and changed its name to SABMiller PLC).

**1995** Ng Fung Hong Co., Ltd. (later renamed CR Ng Fung Co., Ltd.) was listed on the Hong Kong Exchanges and Clearing Limited. CR Enterprise purchased 26% of its equity and started its food business.

**1996** It acquired 67.25% of the equity of a pure water manufacturing plant to develop the "C'estbon" pure water business.

**1997** CR Enterprise was promoted to the constituent stock of the Hang Seng Index.

**1999** It acquired the retail business of China Resources and set foot in the retail business.

**2000** It transferred the shares of China Resources Beijing Land Co., Ltd. (later renamed CR Land) and Lizhi International Group Co., Ltd. (renamed China Resources Logic Limited and China Resources Gas Co., Ltd.) to China Resources.

**2001** It incorporated Ng Fung Hong Co., Ltd. as a wholly-owned subsidiary of CR Enterprise and privatize it.

**2002** It acquired CR Vanguard's retail business and vegetable and fruit supermarket business.

**2003** It splitted the concrete business, integrated it with the concrete and cement business of China Resources, and then listed it on the Hong Kong Exchanges and Clearing Limited (later renamed CR Cement Holdings Limited).

**2005** "Snow" Breweries rose to No. 1 in single brand sales in Chinese beer.

**2006** CR Enterprise became the brewer with the highest sales in beer business in China.

**2007** It completed the sale of all petrochemical businesses.

**2008** "Snow" Breweries became the single beer brand with the highest sales in the world.

**2009** It swapped assets with China Resources by exchanging textiles and container terminals for 75 Chinese supermarkets and a brewery in Shandong Province to expand its core retail consumer goods business.

**2010** It acquired 80% of the equity of Pacific Coffee (Holdings) Limited; completed selling the equity of the "Esprit" business in China to Esprit Holdings Limited. So far, CR Enterprise has focused on the four core retail consumer products businesses of retail, beer, food, and beverage. The first shopping mall "Fun Square" has opened in Shenzhen. Started business of high-end supermarket "blt", wine cellar "Voi!a!" and beauty retail store "VIVO".

**2011** It established a joint venture company with Kirin Holdings Company Limited to produce and distribute non-alcoholic beverages in China, with CR Enterprise holding 60% of the equity.

**2012** It completed acquiring 100% of the equity of Jiangxi Hongkelong Department Store Investment Co., Ltd.

**2014** It established a joint venture with Tesco PLC and vigorously developed various retail businesses in China.

**2015** CR Enterprise sold all non-beer businesses to China Resources, making non-beer business privatization; the listed company renamed to "CR Beer (Holdings) Limited".

**2016** Vanguard Co., Ltd. was under the direct management of China Resources (Group) Co., Ltd., and the main business of China Resources Enterprise was adjusted into three sections including beer, food and beverage. China Resources Logistics acquired the ownership and management rights of Kwai Chung Logistics Centre for HK\$ 3.75 billion and renamed it "China Resources International Logistics Centre".

**2017** CR Enterprise Properties acquired the project of Sugar Estates Limited; Pacific Coffee acquired 40% of the equity of Aroma Coffee (Shanghai) Co., Ltd.; CR Ng Fung and Sovena established a joint venture; China Resources Logistics acquired the project of CR Vanguard Logistics Distribution (Qingdao) Co., Ltd.

**2018** CR Beer announced a long-term strategic partnership with Heineken Group, the world's second largest beer producer. This partnership provides CR Beer with an important strategic, long-term growth and value enhancement opportunity to expand into the premium beer market.

**2019** CR Beer's HK\$ 2.3 billion acquisition of Heineken has been completed, increasing its market value by more than 20 billion in six months.

**2019** CR Enterprise established Shenzhen CR Enterprise Zhixin Technology Co., Ltd. to empower the consumer goods industry and new retail with science and technology.

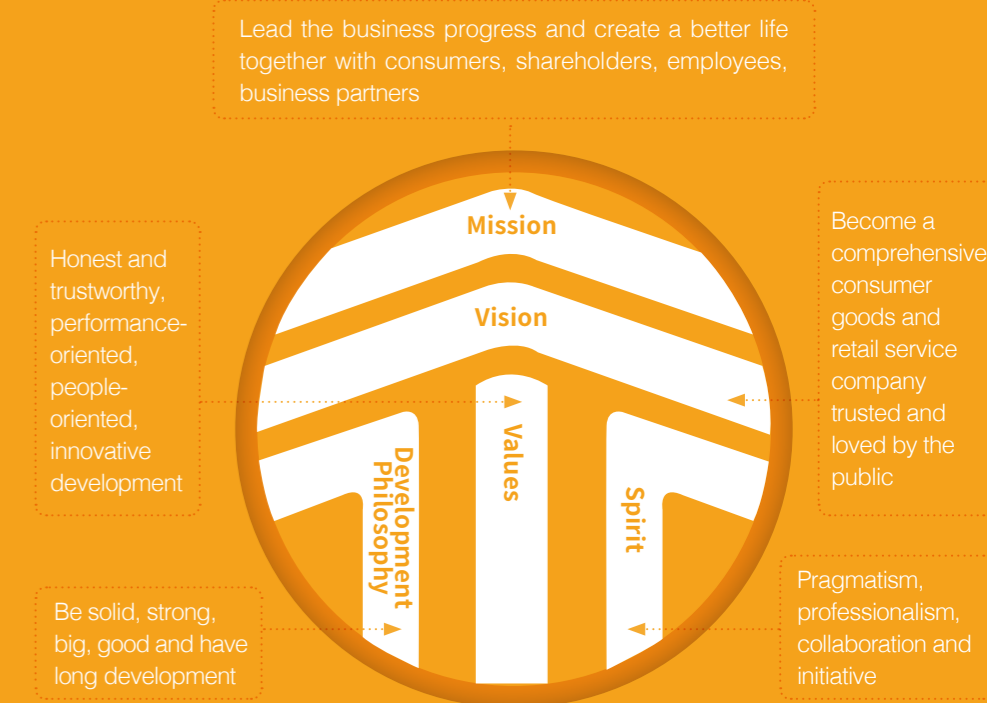
**2019** CR Enterprise participated in the Oatly Oat Milk Project of Sweden to support its business development in China.

**2019** CR Enterprise signed a strategic cooperation agreement with AMC, a Spanish juice company.

Company Culture

Excellent culture is the foundation of an enterprise's stability and long development. During the critical period of the "13th Five-Year Plan", CR Enterprise has established the cultural concept system of "13th Five-Year Plan", and clarified five elements including the enterprise's mission, vision, core values, development philosophy and spirit, uniting strength with culture and guiding its development with culture.

Cultural Concept System of "13th Five-Year Plan"



China Resources Culture Slogans

- Basing on the tradition and making innovations, only by sticking to the right path can go further
- Ensure the quality of products, develop to be flexible
- Seek profits through legitimate means and benefit China
- Work with you to change your life



## The Beauty of a Healthy Life

Uniting the Majestic Power and Fighting Against the Epidemic Together

"We praise courage because we humans still choose to do what we should do even when we know there is a risk."

At the end of 2019, a sudden COVID-19 epidemic swept across China, sticking a chord with hundreds of millions of people's heart. A "war" fighting against the epidemic was quietly started. Faced with the epidemic, CR Enterprise responded quickly. CEO Jian Yi led to establish an epidemic response working group, set up an epidemic prevention and control office, and formulate the CR Enterprise COVID-19 Epidemic Prevention and Control Guidelines to unify the command and implementation of the Company's epidemic response arrangement. At the same time, CR Enterprise did live up to the responsibility of a enterprise for people's livelihood, actively and orderly promoted the resumption of work and production, and strived to ensure that the prices of various types of consumer goods did not rise, the quality did not decline, and the supply was constant in the special period. It took concrete actions to help win the battle against the epidemic and ensure the smooth operation of the economy and society.

### You Guard Life, We Guard You

The epidemic raged across China. In this special period, a large number of heroes braved hardships to march forward courageously and rushed to the forefront of the anti-epidemic team. Among them, there were frontline medical staff working hard day and night, as well as public officers, grassroots epidemic prevention workers, and young volunteers showing selfless devotion. CR Enterprise and its profit centers worked together with the Chinese people to face difficulties, actively donate cash and materials, and use their own strength to cheer for those heroes.

- CR Ng Fung** Donated a total of RMB **2,207,500** of anti-epidemic supplies, and all employees donated about RMB **464,800**
- China Resources Snow Breweries** Donated RMB **15** million to Wuhan, and the cumulative value of donated materials from all regions to all sectors of society exceeded RMB **1** million
- CR C'estbon** Assisted **280** hospitals, disease control centers, Red Cross and other institutions in China, donated **39,218** boxes of drinking water and beverages, with the total amount of the donated supplies exceeding RMB **1** million<sup>①</sup>
- Pacific Coffee** Donated **3,200** cups of drip bag coffee to two hospitals of Wuhan Iron and Steel (Group) Company, donated coffee, juice, light meals and other supplies to **91** units covered by the business, including some medical systems, transportation hubs, community streets, and public properties, equivalent to more than RMB **144,400**
- Donated **3,000** boxes of milk with the partner Devondale to first-line medical staff in Wuhan, equivalent to approximately RMB **650,000**
- International Distribution** Hong Kong Region donated **20,000** masks and **5,000** protective gloves to the Spanish supplier AMC, an overseas partner, equivalent to approximately RMB **47,500**; donated health protective equipment to Spanish partners with the total cost of RMB **70,000**
- Fruit Division donated fruits to Wuhan, worth about RMB **113,000**
- Sichuan Lihong** Donated RMB **500,000** to Hubei Province, and employees donated nearly RMB **50,000**

<sup>①</sup> The data are as of April 9, 2020.

"I hope that the frontline medical staff will be more confident and warmer to fight!"

@Hu Jingqian of CR Ng Fung Rice Hubei Sales Division

The epidemic developed very quickly. We received an order from the Company on the first day of the New Year to give some support to the frontline medical staff. Due to the shortage of medical supplies at that time, it was difficult to raise supplies in the first place, so we decided to provide them with good rice and cooking oil, to guarantee the quality of life of medical staff every day. After the efforts of all parties, the logistics distribution was finally completed, which relieved the medical staff's immediate difficulties and gave them more confidence and warmth into the battle.



"Actually, I was scared, but someone has to do it."

@Lv Qingling of CR C'estbon Hubei Region

From January 23, the Company actively contacted local hospitals and institutions in Wuhan regarding water supplies. The Company organized volunteer teams to send water to the frontline. I did not expect to be the only girl in the team. On the morning of January 27, five colleagues and I took the water to the hospital, and instead of putting it down at the door, we need to help the hospital carry the water in. To be honest, I was also scared, but I am willing to work with my partners to do what we can do for Wuhan.



### Guarantee Supply to Benefit People's Livelihood, Stabilize Prices to Stabilize People's Hearts

As a large consumer enterprise related to people's livelihood, CR Enterprise linked all profit centers to work together, stick to the frontline, and spare no effort to ensure the stable supply of goods and materials for people's livelihood. CR Ng Fung maintained normal operation all the time to ensure the stable supply of rice, meat, flour and cooking oil and other products needed for people's livelihood; many factories of CR C'estbon carried out epidemic prevention and control, resumed work and production in advance to ensure the supply of drinking water for people's livelihood; China Resources Snow Breweries, Pacific Coffee, China Resources Logistics, CR Enterprise Properties, International Distribution, Fruit Division, Aquatic Products Division, Sichuan Lihong and other businesses also worked hard to resume or maintain normal operations to meet diverse needs of the people. At the same time, as a central enterprise in Hong Kong, CR Ng Fung also focused on protecting the supply of fresh meat in the Hong Kong market; China Resources Logistics guaranteed the supply of frozen products, drinking water and paper products in Hong Kong; the International Distribution Division (Hong Kong) guaranteed the stable supply of rice, rice noodles, frozen meat, fruits, etc. in the Hong Kong market. CR Enterprise fulfilled its corporate responsibility with practical actions.

- CR Ng Fung** As of March 7, 2020, a total of **3,002.45** tons of rice and **109.05** tons of edible oil had been put on the market in Hubei
- Pacific Coffee** More than **100** stores stuck to the frontline and continued to provide good coffee to the public
- China Resources Logistics** Shipment volume of cold storage in Hong Kong increased by nearly **50%** compared with the same period last year, of which shipments of rice, quick-frozen dumplings, dumplings and other food products more than doubled compared to the same period last year
- International Distribution** During the Spring Festival, about **3,050** tons of goods in Hong Kong Region were put into the warehouse, the total number of vehicle delivery stores reached about **5,800**, about **305,000** pieces of goods were delivered, and the throughput of self-operated warehouse was **1,618** tons
- From January 24 to February 6, Fruit Division supplied **54,631** kg of grapefruit and ponkan to CR Vanguard Supermarket and Hong Kong Wellcome Supermarket without lifting price



Chairman of China Resources Fu Yuning accompanied Luo Huining, director of the Liaison Office of the Central People's Government in the HKSAR, inspects China Resources Logistics Warehouse and learns the supply of materials to Hong Kong

"Even in the event of disaster, there are real feelings. I must ensure that my customers can buy meat."

@Yao Jianjun of Hangzhou Ng Fung United Meat Co., Ltd

I am used to working from six am to evening every day. Although we are afraid and worried about the epidemic, as the frontline sales and service staff of the "United Kangkang" store, we must insist on our work and remain unwavering in our posts. I need to be worthy of myself, each customer of mine, and the entire store. Even in the event of disaster, there are real feelings. I must ensure that my customers can buy meat. In times of difficulty, I would like to stick with the Company.



"I don't want to see the situation where no one can buy water, so I have to come to work."

@Zhang Xueting of CR C'estbon Tianjin Factory

From the fourth day of first month of the lunar year, I came to work in the factory and was responsible for dispatching forklift shipments. It was really cold and snowing heavily. Because of the epidemic, many villages were blocked and the drivers could not get out. The administrative area where the factory was located only allowed people from that area to come into. I, as a person in Wuqing District of Tianjin, had to come to work. My wife and children were also worried, but I could only say that there was no way. "Our water is delivered to the supermarket for sale. I can't leave the people without water to drink."



The International Distribution Division (Hong Kong) makes its best efforts and contributions to protect the supply of rice in the Hong Kong market



China Resources Logistics actively and collaboratively responds to the demand and makes it the "big warehouse" for people's livelihood in Hong Kong

Scan the QR Code and Read



We Are Back to Work!



## The Beauty of a Well-off Society in All Respects

Constructing the Dream of Development and Leading the Hope in the Future

"Yellow earth, red people and golden dreams are the most beautiful footnotes for all dreamers who are struggling on the frontline of poverty alleviation."

It was once rated by the UNESCO as one of the most unsuitable places for human habitation, and now it has become the most beautiful oasis in the desert. Industry used to be a term that this place did not dare to mention. Now, Simmental has become the mantra of the simple herdsmen. Poverty once kept children here from seeing hope for the future, and now their eyes are full of longing. In 2012, Haiyuan County of Ningxia became the designated poverty alleviation county of China Resources. In March 2020, Haiyuan County announced its withdrawal from the list of poverty-stricken counties and achieved an important victory in the fight against poverty. After six years of poverty alleviation, employees of CR Enterprise have left a solid footprint here.

### Origin • Make Full Use of Each Other's Strengths for a Common Goal

Haiyuan County is located in the central and southern part of Ningxia and the northwestern foothills of Liupan Mountain. It is the key region of Xihaigu Region, a world famous area for its poverty and barren land, and is a nationally impoverished county in the contiguous and destitute areas in Liupan Mountain. Haiyuan is an area inhabited by the Hui people which has a tradition of raising cattle, with good conditions for raising cattle. However, the overall breeding scale in Haiyuan County has been very small for many years and the cattle breeds are mainly local yellow cattle, and it is difficult to connect with the market. CR Ng Fung is an excellent comprehensive food company and the largest live cattle supply agent in Hong Kong. It has 66 years of experience in supplying live animals to Hong Kong and has obvious channel advantages. Combining the advantages of both parties, China Resources established the policy of development-oriented poverty alleviation for beef cattle breeding industry in Haiyuan County, leading the poor to get rid of poverty and become rich. In 2014, China Resources established the "Haiyuan China Resources Agriculture Co., Ltd." and CR Ng Fung, a profit center of the CR Enterprise, was responsible for the implementation of specific work, thus promoting the transformation of the poverty alleviation in Haiyuan County from a passive "blood transfusion" to an active "blood forming".

### Co-building • Stimulate Endogenous Power

In order to achieve the goal of assistance, drive the development of local industries, increase farmers' income, and at the same time leave a sustainable industry for the poor people in Haiyuan, Haiyuan China Resources Agriculture Co., Ltd. has innovated the financial poverty alleviation model by establishing a social financial poverty alleviation mechanism and building a "basic cow bank". It sells high-quality basic cows to farmers on credit by issuing interest-free loans and guides the poor to develop the cattle industry. Each household can buy three to five cows on credit with each cow of a three-year interest-free loan of RMB 6,000. After three years, bulls will be repurchased at a price of not less than RMB 28 per kilogram of live animals and deducted as farmers' loan and the basic cows will continue to breed.

At the beginning, it was very difficult to carry out the work. Every time almost no one was interested in buying cows on credit. But when the first batch of newborn calves was repurchased and turned into money, the good news quickly spread among the farmers, which also completely inspired their motivation and enthusiasm to get rid of poverty. "It's a good thing. Now a cow can be sold RMB 8,000. My family has five cows, and we can earn RMB 40,000 a year. The net income is RMB 30,000, which is several times than before. And when cows are sick, China Resources will send professional veterinarians to come to treat the disease." From 2015 to the present, a total of 30,971 basic cows have been sold on credit, benefiting 12,517 poor households with registered cards in the county. In 2019, 7,438 were sold on credit, and the number of cow farmers reached 25,000.

In order to drive the poor people from extensive farming to scientific farming, from self-supporting and self-marketing to unified sales of cooperatives, and make Haiyuan become a high-quality beef cattle base of China Resources, the base also adopts the "leading enterprise + cooperative + farmer" model and sets up dedicated teams to guide throughout the process to take the industrialization path of integration of species, breeding, processing and sales. In September 2017, the first batch of cattle for Hong Kong at the Haiyuan Base entered the Hong Kong market. In the near future, these products from poor areas will also be on the table for more citizens.

Yang Jinlong is a local. Because of this barren land, he went out to work at the age of 19. When he heard that China Resources built a cattle raising base in Caowa Township, he came back to apply for a job. His family had never raised cattle in the past, but he knew at the base that there were complete sets of methods to help raise cattle. He was willing to have a try.



Being removed from the poverty list is not the end point. In the future, Haiyuan will also focus on promoting the construction and running of the supporting slaughterhouses, which can not only provide high-end beef cattle breeding industry of Haiyuan with "silage + breeding + slaughter sales" one-stop service of the entire industrial chain, but also help Haiyuan strengthen the "CR Ng Fung Cattle" poverty alleviation brand, so as to enlarge and strengthen beef cattle breeding industry, sell good beef at a good price, and make Haiyuan County embark on the road to prosperity.

### Hope • Light Up the Future

"Education is the key to poverty alleviation." While focusing on industrial development, CR Enterprise and its profit centers are also very concerned about the education of children in poor areas. Only by giving children a better education can we truly cut off the intergenerational transmission of poverty, which is the fundamental strategy to solve poverty. To this end, China Resources Snow Breweries donated Tongmeng Plaza for Haiyuan Hope Town, CR Ng Fung provided kitchen facilities and healthy food for the kindergarten of Haiyuan Hope Town, and CR C'estbon donated the "Water Fairytale" Theme Picture Gallery for the kindergarten, giving children wings to dream, and helping them to move towards a bigger and more beautiful world.



China Resources Snow Breweries donates Tongmeng Plaza



CR C'estbon donates the "Water Fairytale" Theme Picture Gallery

Haiyuan Grass and Animal Integrated Beef Breeding Base

## The Beauty of Economic Prosperity

Relying on the Bay Area and Serving the People's Livelihood

"Setting foot on this land, people feel not only speed and passion, but also the relentless pursuit of innovation and quality."

The Guangdong-Hong Kong-Macao Greater Bay Area is one of the regions with the highest degree of opening and the strongest economic vitality in China, and has an important strategic position in China's overall development. The construction of the Guangdong-Hong Kong-Macao Greater Bay Area is a national strategy that General Secretary Xi Jinping personally planned, personally deployed, and personally promoted, and is of great significance. CR Enterprise actively has responded to the call of the central government and China Resources, positioning itself as a consumer goods platform of China Resources in the Guangdong-Hong Kong-Macao Greater Bay Area, focusing on serving people's livelihood, actively building a platform and integrating resources, and contributing to the prosperity and development of the Guangdong-Hong Kong-Macao Greater Bay Area through quality services and brand innovation.

### Accumulate Energy to Support Regional Development

Focusing on the large consumer industry, in order to further research and judge the development opportunities of the Guangdong-Hong Kong-Macao Greater Bay Area, integrate various resources, realize the advance layout, increase investment in Hong Kong, and expand the influence of the Bay Area, CR Enterprise has established the Special Working Group of Guangdong-Hong Kong-Macao Greater Bay Area, with CEO Jian Yi as the leader, comprehensively coordinated and promoted the Company's business development in the Greater Bay Area, and actively implemented the "9+2" City Report of Greater Bay Area, Annual Work Report of Greater Bay Area, 6s Management Report of Greater Bay Area and other tasks. At the same time, the CR Enterprise Logistics Strategic Plan for Guangdong-Hong Kong-Macao Greater Bay Area was launched to clarify the logistics development direction and positioning of CR Enterprise in the Greater Bay Area, and to formulate an overall development plan and implementation path.

The business scale of CR Enterprise and its profit centers in the Guangdong-Hong Kong-Macao Greater Bay Area has further expanded. As of the end of 2019, the Company's total assets in the Greater Bay Area had been HK\$ 50.019 billion and its turnover had been HK\$ 15.373 billion. Among them, about HK\$ 5.806 billion were the equity of Fenjiu held by the Hong Kong Company, and HK\$ 4.332 billion were 0.9% of the equity of the Heineken Group held by the Hong Kong Company. CR Enterprise and its profit centers have a total of 8,777 employees in the Greater Bay Area. In 2019, they provided more than 900 employment posts in Hong Kong and 94% of the final hires were Hong Kong permanent residents, fully supporting the development of the Bay Area.

- CR Ng Fung** Operated the largest slaughterhouse in Hong Kong, with a live pig market share of **46%**, and established one slaughterhouse and one factory.
- China Resources Snow Breweries** Established four factories in the Greater Bay Area, with a total investment amount of nearly RMB **2** billion.
- CR C'estbon** It established four factories in the Greater Bay Area, the market share in the Greater Bay Area exceeding **40%**. In 2019, the Company focused on carrying out "Green Action" in Shenzhen-Dongguan-Huizhou region, increased manpower, material resources and capital investment, and built **80** perfect stores in Shenzhen and Huizhou.
- Pacific Coffee** Entered eight cities in the Greater Bay Area, with **267** stores in total and the store size in the Greater Bay Area is in the top two.
- China Resources Logistics** In Hong Kong, it ranked the top two in cold storage market and the top five in dry storage market.

### Take Multiple Measures to Create a Better Life

As a comprehensive consumer goods and retail service enterprise closely related to people's lives, CR Enterprise has fully played the important role of central enterprise in Hong Kong, strengthened the connection between the mainland and Hong Kong, fully guaranteed the supply of food and products in Hong Kong and the mainland, and strongly supported the development of entrepreneurship among young people in the Bay Area to provide a better and more accessible life for people in the Greater Bay Area.

#### CASE CR Enterprise Cooperated with Nansha to Build a "Vegetable Basket" Distribution Center in the Greater Bay Area

In July 2019, CR Enterprise signed a strategic cooperation agreement with Guangzhou Pearlriver AIC, a subordinate enterprise of Nansha government on "Guangdong-Hong Kong-Macao Greater Bay Area Super Logistics Hub Project" to help Nansha accelerate its integration into the development of the Guangdong-Hong Kong-Macao Greater Bay Area. The cooperation project focuses on agricultural products such as meat, imported food (including frozen products), and regional high-quality aquatic products. It integrates important functions such as agricultural product display and circulation, cold chain storage, processing and distribution, and comprehensive supporting facilities to develop a "vegetable basket" agricultural product distribution center with excellent service, mature development and covering Guangdong, Hong Kong and Macao.

#### CASE The First Imported Raw Food Processing Center in the Bonded Logistics Center in China

CR Enterprise Aquatic Platform Co., Ltd. has established an integrated service platform for imported food trade and processing of the Guangdong-Hong Kong-Macao Greater Bay Area in Foshan Bonded Logistics Center—Ng Fung Guotong Salmon Raw Food Processing Center. The construction of the processing center officially started in the first quarter of 2019, with a total construction area of 3,450 square meters. It is the first imported raw food processing center built in a bonded logistics center in China and also the first raw food processing center in China to introduce automatic production line provided by German Baader with international leading standard. After the operation of the processing center, it will supply and support retail, e-commerce and catering enterprises around China, and provide consumers with fresh, nutritious, safe and traceable international high-quality aquatic products distributed by China Resources.

#### CASE Pacific Coffee Launched the First Entrepreneurship Training Program in the Greater Bay Area



"Fulfill Your Dream through Coffee" Launch Ceremony

On March 8, 2019, Pacific Coffee cooperated with the HKCT Institute of Higher Education to carry out the "Fulfill Your Dream through Coffee—Pacific Coffee + HKCT Institute of Higher Education @ the first entrepreneurship training program in the Greater Bay Area" to help young people in Hong Kong developing their careers in the Guangdong-Hong Kong-Macao Greater Bay Area to start their own businesses and integrate them more quickly into the overall development of China. Combining China Resources' industrial resources in the Greater Bay Area and the talent training and discipline research expertise of the HKCT Institute of Higher Education, the entrepreneurship training program provides training and internship opportunities for Hong Kong youths, as well as venture capital funds for young people so as to support them in entrepreneurship and life in the Greater Bay Area.



# PART I

Gather Strength and Stay True to the Mission to Achieve a Better Business







## Co-creation • Improve Quality, Increase Efficiency and Stabilize Development

CR Enterprise is committed to creating optimal value for shareholders, building a lean and excellent operation management system, and promoting high-quality development of enterprises; adheres to prudent operation, continues to improve the internal governance structure, establishes and improves a modern enterprise system, promotes the standardized and institutionalized operation of information disclosure, and enhances the transparency of information disclosure; implements the relevant requirements for the construction of enterprises governed by law, promotes integrity and compliance and anti-corruption construction, solidly carries out internal control risk prevention and control, to ensure the sustainable and healthy development of enterprises and make unremitting efforts to realize the vision of "becoming a comprehensive consumer goods and retail services company trusted and loved by the masses".

### SDGs and CR Enterprise



### Our Achievements

Performance Index	Unit	2019
Total assets	HK\$ 100 million	1,018
Operating income	HK\$ 100 million	637.39
Recurring earnings before interest and tax	HK\$ 100 million	54
Hedging and proliferating ratios of state-owned assets	%	256
Owners' equity	HK\$ 100 million	542.65

## Excellent Operation to Create Economic Value

### Sustained and Steady Growth

CR Enterprise has continuously consolidated its basic management, improved its industrial layout, steadily improved the Company's operating quality and profitability, achieved steady and sound development, and created good returns for shareholders. In 2019, the total assets of CR Enterprise were HK\$ 101.8 billion, operating income was HK\$ 63.739 billion, and total recurring earnings before interest and tax were HK\$ 5.4 billion.

In 2019, its overall financial situation was sound, the structure of assets and liabilities was reasonable, and its debt risk was relatively small. At the end of 2019, the total interest-bearing debt ratio was 12%, and the debt risk was controllable. At the same time, the line of credit in domestic and foreign banks was sufficient to meet operational and project funding requirements.

### Excellent Operation Management

CR Enterprise fully implements the Group's requirements for excellent operation and construction, and strengthens process management and control, strengthens the operation foundation, improves platform construction, and promotes management innovation to promote high-quality development of enterprises.

CR Enterprise further promotes the construction of excellent operation management system, improves relevant management systems and mechanisms, and incorporates the evaluation of excellent operation indicators into the Company's annual evaluation system; extensively carries out lean talent training and exchange benchmarking activities, promotes the optimization of production capacity and business structure, and achieves cost decreasing and benefit increasing; builds a digital operation platform to promote business collaboration and resource integration; actively carries out the integration of innovative resources, builds an innovative exchange learning platform, and achieves maximum value creation. In 2019, the Xinghuo Liaoyuan Project Management and Control Platform and the Lean Innovation App continued to be promoted, with minor improvements exceeding 10,000, an increase of more than 20% year on year. In the 2019 benchmarking unit evaluation, China Resources Snow Breweries Sichuan Xindu Factory and CR C'estbon Zhaoqing Factory were rated as six-star benchmarking units.



2019 Annual Excellent Operation Benchmarking Exchange Summary Meeting of CR Enterprise is held in Chengdu

Scan the QR Code and Read



China Resources Snow Breweries Sichuan Xindu Factory's Road from "Chasing Stars" to "Making Stars"



Our Story with Lean Management



## Multiple Measures to Improve Corporate Governance

### Coordinate to Promote and Improve the Governance System

CR Enterprise has strictly implemented the requirements of the Group's Notice on Further Improving the Construction of Corporate Governance System, convened special work meetings on corporate governance, established a project group on system combing and process optimization of CR Enterprise, and deployed and implemented related work. Based on the goals of clear interface, powerful authorization, proper control and efficiency improvement, it has improved the rules of procedure for meetings of the board of directors, Party committee, and management teams, clarified the decision-making mechanism for "Three-Major & One-Large" issues, and gave full play to the leadership role of the Party Committee in guiding the direction and managing the overall situation; revised the Measures for the Implementation of "Three-Major & One-Large" Decision-making System, and combed the CR Enterprise Power and Responsibility Operation Manual and List of Major Issues; sorted out and optimized the processes of various functional systems, accelerated the establishment of a standardized, scientific and efficient corporate governance system, comprehensively improved the level of corporate governance, and organically integrated the leadership of the Party with corporate governance.

### Build a Scientific and Efficient Governance Structure

Based on relevant laws and regulations of China and the articles of incorporation, CR Enterprise has established a complete and effective corporate governance structure and rules of procedure from top to bottom, clarified the responsibilities and authority in decision-making, execution and supervision, and formed a scientific and effective assignment of responsibilities and balance mechanism.

CR Beer, a listed company affiliated to CR Enterprise, has established the Board Committee as an important part of an effective board of directors. Members of the board of directors have a balanced age and years of service, and have experience and knowledge in different areas. Members of the Nomination Committee, Remuneration Committee and Audit Committee are mostly independent non-executive directors. The chairman of each committee is served by different independent non-executive directors, effectively ensuring the Company's scientific strategic decision-making.

### Take Multiple Measures to Regulate Information Disclosure

CR Enterprise attaches great importance to investor relationship management, continues to standardize the information approval and release process from the perspective of Hong Kong listing rules, and promotes the standardization and systematization of information disclosure. CR Beer, a listed company affiliated to CR Enterprise, regularly publishes announcements, interim reports and annual reports to shareholders and investors; maintains contact and communication with shareholders and investors through diversified channels, and organizes activities related to performance release. It held more than 250 meetings with nearly 1,600 fund managers and analysts in 2019 through one-to-one meeting and teleconference. It also updates the official website in a timely manner, unblocks information communication channels, and maintains stable and harmonious investor relations.

Corporate Governance and Investor Relation Honors of CR Beer

- **Institutional Investor:** Awarded the "Best Corporate Governance" in Asia and the "Top One Most Respected Enterprise", "Top One Best Investor Relations Work", "Top One Best Corporate Governance" and "Best Environment, Social and Governance/Top One Social Responsibility Investment Index" in the essential consumer goods industry in Asia and other honors

Corporate Governance and Investor Relation Honors of CR Beer

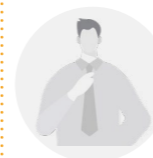
- **IR Magazine:** Awarded the global "Best Investor Relations - Essential Consumer Goods" and the "Best Overall Investor Relations Award (Large Enterprise)", "Best China Investor Relations Award", "Best Investor Relations Award (Consumer Goods)" in China and other honors



- **Corporate Governance Asia:** Awarded "Asian Corporate Governance Model" "Best Investor Relations Enterprise" and other honors

- **Hong Kong Investor Relations Association:** Awarded "Best Investor Relations Company - Large Stocks", "Best Investor Relations (Corporate Transaction)" and other honors

- **MerComm, Inc.:** Awarded "International ARC Annual Report Award" and "International Galaxy Award" to CR Beer Annual Report



I have been tracking the consumer goods industry in foreign and Chinese investment banks for more than a decade, and have witnessed the changes in CR Beer (and CR Enterprise). Investors generally believe that it is difficult for state-owned enterprises to gain a foothold in a fully competitive consumer industry, and CR Beer is one of the few state-owned enterprises that has achieved excellent performance in this industry and brought huge returns to investors. At the same time, thanks to the leading corporate governance in the industry, I have also noticed the high evaluation and recognition of suppliers, customers and employees in the survey, which also strengthen the confidence of investors in the company.

--Research Division of Huatai Financial Holdings (Hong Kong) Co., Ltd.  
Luo Yixin, chief analyst of Hong Kong Stock Consumer Industry

## Risk Prevention to Build Solid Foundation of Development

### Internal Control Risk Management

CR Enterprise, in accordance with the SASAC's Implementation Opinions on Strengthening the Construction and Supervision of Internal Control Systems of Central Enterprises, has continued to strengthen the construction of internal control systems and compliance monitoring, promoted the process of risk management informatization, and provided guarantee for the company's healthy and sustainable development.

CR Enterprise has established the Internal Control and Risk Management Committee to lead the construction and operation of the internal control and risk management system, and to guide and inspect the implementation of major risk response measures. It has organized risk assessment, special governance, monitoring and early warning, internal control self-assessment and the preparation of relevant tools and system guidelines, and continuously strengthened the construction of internal control management system; organized the risk assessment work of 2019, proactively identified the major risks that may be faced in the production and operation process, and formed a list of major risks of 2019 for CR Enterprise; systematically summarized risk management cases, and conducted several trainings for managers at all levels and employees in key positions, comprehensively improving the company's risk management and control capabilities and level. In 2019, CR Enterprise implemented three 100% legal audits of system review, contract review, and major decision-making to prevent major legal risks; there were no major risk events that had not been dealt with or resolved.



## CASE Strengthen Training and Enhance Risk Prevention Capabilities

In June 2019, the Audit Division of CR Enterprise gave a practical course on procurement risks to the colleagues on the post of procurement and engineering of CR Ng Fung with regard to prominent problems and typical cases found in the procurement field in recent years. Through case presentations, main risk points, risk causes and preventive measures in all links of procurement were fully and vividly revealed, which helped CR Ng Fung to lay a solid foundation for its procurement and engineering functions and do a good job in procurement throughout the year.



### Strengthen Audit Supervision

To strengthen internal audit supervision and management, and actively implement the audit requirements of the Group, CR Enterprise has independently established the supervision division and internal audit division to carry out a series of audit and supervision based on company strategy, business needs, internal and external regulations and internal control requirements, and actively promote various profit centers to strengthen audit rectification and continuously improve the construction of internal supervision system. In 2019, the Company focused on high-risk areas such as bidding and purchasing, investment, engineering, sales, finance, and fund management, and launched 14 audit projects of various types.

### Integrity and Compliance Operation

Honesty and trustworthiness are the core values of CR Enterprise and the foundation of the Company's business. In order to further promote the establishment of integrity and compliance system, the Company has established a compliance committee, a leading group for accountability of investment in violation of business operation and a leading group for managing enterprises according to law, and formulated and improved relevant systems and management processes to ensure the normal operation of compliance supervision; organized training and education activities on law-abiding and compliance, strengthened employees' awareness of law-abiding and compliance and promoted the construction of corporate compliance culture.

## CASE Organize and Convene the 2019 Working Meeting on the Rule of Law

In order to implement the Regulations Regarding Principals of Central Enterprises Fulfilling the Responsibilities as the First Responsible Persons for Promoting the Rule of Law issued by SASAC of the State Council, CR Enterprise officially held the 2019 working meeting on the rule of law on December 16, with more than 40 representatives from various functional departments and profit centers of China Resources and CR Enterprise headquarters attending the meeting. The meeting summarized the legal construction work of CR Enterprise in 2019, exchanged and shared the experience of rule of law construction, and invited external lawyers to conduct professional training on common legal disputes in specific businesses of each profit center, as well as intellectual property management and legal professional problems.



### Anti-corruption Building

CR Enterprise resolutely resists commercial fraud and corruption, and implements the relevant requirements and deployment of the central government and the Group. It has established a special self-examination team to conduct self-examination and self-correction in managers' illegal shareholdings, connected transactions, establishing enterprises and other areas prone to such behaviors. It has also actively carried out anti-corruption education, firmly established the concept of integrity and honesty and the concept of compliance and discipline, and steadily promoted anti-corruption construction and eliminate commercial fraud.



CR C'estbon held anti-corruption warning education conference in Liaoning Region





**Professionalism is not any showy but not practical skill, and it is the devotion and concentration.** In 2013, when the information revolution and digital construction swept the entire FMCG industry, CR Enterprise also faced the urgent task of accelerating the construction of mobile information. Ye Ning was entrusted with a mission at a critical and difficult moment and came to CR Enterprise with his rich experience in the Internet industry and excellent digital construction skills.

As one of the technical leaders of CR Enterprise Intelligence and Informatization Division, Ye Ning overcame a large number of technical difficulties during the construction of CR Enterprise Digital Platform. He established a series of mature and stable technical components and rapid development framework; gradually applied digital platforms and technologies to the digital transformation project of the business of CR Enterprise... For a start-up team and newcomer who had just entered CR Enterprise, behind these achievements was that he had worked overtime for the Company for many years and his full participation from the guidance to the implementation.

**Professionalism is not to stand still and refuse to make progress, but to innovate and make progress that keeps up with the times.** With the extensive improvement of Party conduct and Party discipline in China, "focusing on Party building around the operation and promoting the development through the Party building" also became the strategic thinking of brands under CR Enterprise. How to use Internet technology and information platform to better publicize and carry out Party building across the Company, and how to let more and more younger grassroots employees acquire and learn Party building in a more novel and convenient way became new tasks of Ye Ning and the information team of CR Enterprise.

With the good vision of "professionalism and technology can not only serve the Company's business, but also build a bridge for the spread of corporate culture", Ye Ning led the team once again with full passion to start a new creative practice. After half a year of hard work and persistence, they finally got good achievements. Party building, Party conduct, integrity work and other learning modules were launched on the portal of CR Enterprise, mobile portal and work platform to make the Company's Party affairs staff update the information most quickly, greatly strengthening the Party conduct and clean government construction of CR Enterprise.

**Professionalism is not highbrow, and it means teamwork and common prosperity.** Ye Ning said, "Excellent professional ability is not used to show off, but to do practical work and make performance, to share and compete and make progress with colleagues, and create a true professional team." At CR Enterprise, he is not only a well-known business backbone, but also a leading expert with a reputation. The technical team trained and built by him are now all experts of the information system of CR Enterprise.

As a senior manager of the IT Technology Department, Ye Ning has been using solid technology and excellent ideological quality to lead the team to achieve breakthroughs again and again. If we compare youth to an insurmountable tough battle, then we have to show the courage to fight and the strength of stubborn confrontation, constantly challenge ourselves, break through ourselves, and achieve ourselves, complete missions, and pay tribute to the time in struggles again and again.



Scan the WeChat QR code to see more stories of characters in CR Enterprise

## We Are Working Hard

CR Enterprise will continue to uphold the responsibility concept of "work with shareholders to create optimal corporate value", build a lean and excellent operating system, and improve the Company's sustained profitability and stable operating capabilities; strengthen the standardization, process and scientific operation of the governance system to improve governance capabilities; improve the internal and external risk prevention and control mechanisms, adhere to the rules of compliance operation, and consolidate the foundation of management.





## Co-building • Quality Service Focuses on Innovation

CR Enterprise takes innovation as an important driving force for sustainable development, strives to enhance the Company's innovation ability, and provides source power for the Company's sustainable development; as a comprehensive consumer goods and retail service company, CR Enterprise insists on consumer demand-oriented, continuously optimizes and upgrades its product and service structure, and is committed to providing consumers with a variety of products with healthy and nutritionally balanced multi-products, and protecting consumer health and safety.

### SDGs and CR Enterprise



### Our Achievements

Performance Index	Unit	2019
Scientific research input	HK\$ 100 million	6.58
Number of major innovation awards	Item	3

## Innovative Development to Meet Diverse Needs

### Promote Management Innovation

In 2019, CR Enterprise Financial Sharing Service Center continued to optimize the process, gradually improved the operation management system, achieved the goals of improving work efficiency, improving accounting quality, and strengthening risk management and control, and conduct active explorations and practices in the 11-dimensional operation management system in terms of quality management, performance management, standardized management, etc. It took the initiative to use emerging technologies such as RPA to become the business unit with the largest number of RPA processes implemented in China Resources' internal shared service center. It also innovated tax management, upgraded and launched the invoice management system, and promoted Pacific Coffee to be the first to launch blockchain electronic invoices. Within the Group, it pioneered the personal performance evaluation system of employees which were suitable for the financial sharing work model, developed a digital operation platform, established a comprehensive quality management system, and actively explored in the standardization of accounting subjects. Through the implementation of internal management innovation and process optimization for financial sharing, the overall human efficiency of the accounting of CR Enterprise Financial Sharing Service Center in 2019 increased by an average of 27.33% compared with last year.

#### Tips

RPA: The abbreviation of "Robotic Process Automation", refers to robotic process automation, which is a type of automation software tool that can automate routine operations based on certain rules.

### CASE Comprehensive Quality Management System of Financial Sharing Center

In 2019, CR Enterprise Financial Sharing Service Center established a comprehensive quality management system to achieve full process control including prior control, in-process control, and post-action control. Combined with system process optimization and performance management, it has promoted business standardization, monitor business compliance, correctness, and control internal risks of key processes, reaching the service quality commitment of the financial sharing center.

- **Prior control:** Setting up a regular review mechanism for the division of posts and responsibilities; reorganizing and controlling user rights of the accounting system; knowledge management and learning management; standardized management, etc.
- **In-process control:** Accounting review post setting, check mechanism prior to monthly financial statement, post operation standardization, solidification control rules in the system, etc
- **Post-action control:** A series of internal quality control measures such as periodic review of the approval process of the reimbursement system, current account clearing mechanism, accounting account inspection mechanism, financial sharing quality audit mechanism, financial sharing and external communication and feedback mechanism.

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## Strengthen Technological Innovation

CR Enterprise always adheres to the core values of "innovative development", focuses on creating an enterprise atmosphere that encourages creativity and supports innovation, issues and implements the Intellectual Property Management System, and establishes an intellectual property management system. It strictly implements the requirements of China Resources, strengthens the construction of intelligence and information management, and effectively improves the efficiency and quality of operation management. It also actively promotes technological innovation in production and operation, effectively drives the steady development of various businesses, and continuously enhances the core competitiveness of enterprises. In 2019, CR Enterprise and various profit centers totaled HK\$ 658 million in R&D investment, and won three major innovation awards.

### CASE China Resources Snow Breweries Has Established the Industry's First Efficient Operation Guarantee Management System for High-Speed Beer Canning Line

On November 1, 2019, the "Research and Application of Efficient Operation Guarantee System for High-Speed Beer Canning Line" project of China Resources Snow Breweries successfully passed the scientific and technological achievement appraisal of the Technical Committee of China Alcoholic Drinks Association, and reached the international leading level as a whole. In this project, China Resources Snow Breweries has established the industry's first efficient operation guarantee management system for high-speed beer canning line, researched and developed "all-weather" three-dimensional monitoring technology for the sealing quality of high-speed beer canning line, "precisely adjusted sealing machine" technology, best carbon-saving purging technology for carbon dioxide, "food safety testing method for empty can", etc., and upgraded the packaging quality standard management system, effectively reducing the labor intensity of employees and improving the working environment; improved the efficiency of high-speed canning line to ensure product quality; significantly reduced carbon dioxide consumption, playing a demonstrative role in low-carbon and environmental protection.



Site inspection



Yangzhou Ng Fung Fuchun carries out special training on intellectual property

## Product Service Innovation

CR Enterprise insists on being consumer-centric, continuously increases product research and development efforts and investment, builds an innovation exchange platform, and organizes benchmarking activities to learn excellent corporate practices. It actively carries out innovation resource matching, participates in innovation enterprise matching meetings, promotes the transformation of innovation achievements, and provides diversified products for consumption. It also continues to optimize and upgrade products and business structures, actively expands business channels, enhancing the consumer experience with a richer and better product matrix.



### CR Ng Fung

Paid attention to and attached importance to the health needs of the elderly, developed and introduced chicken and cordyceps flower dumplings, and added cordyceps flower to the ingredients to protect the health of the elderly.



### China Resources Snow Breweries

Developed a variety of new portable packaging such as bundle packing and baskets; newly developed and listed new products such as MARRSGREEN Beer, Lowen White Beer, and Lovibond Black Beer won unanimous praise from consumers.



### Pacific Coffee

Launched a series of coffee drinks with donkey-hide gelatin together with DEEJ, bringing new experience of "nourishing while drinking coffee" to consumers with the help of the nourishing and healthy benefits brought by the "fresh and ready-to-eat donkey-hide gelatin" of DEEJ.



### International Distribution

Introduced the Naturefirst Organic Oatmeal from Australia, enriching the product structure and providing consumers with healthy products.

### CASE China Resources Snow Breweries Launched Mid-to-High-End New Product Marris Green

On April 9, 2019, the new MARRSGREEN Beer of China Resources Snow Breweries was officially launched. This was the third mid-to-high-end product launched after superX and Draft Beer, mainly for young people from 25 to 35 years old, aiming to serve the young and high-end market, break the conventional impression of beer, and lead a new fashion. The taste of MARRSGREEN is mainly "cold brew" and fresh; it adopts the trendy tone of Marris Green, bold painting style, and customized vectorized snowflake patterns with exclusive symbols. The exterior design won the Graphis Silver Award, the "Bible" in design field, in 2019.



Scan the QR Code and Read



Listen to Product Designers Telling Interesting Stories About Developing New Products



The Perfect Encounter Between Coffee and Art



## CASE Healthy Tea, CR C'estbon Launched the First Sugar-Free Tea Beverage

As consumers pay more and more attention to health issues, CR C'estbon attaches great importance to research and development of healthy products, so that consumers can enjoy the beautiful experience brought by "healthy tea" without burden while pursuing health. CR C'ESTBON launched a new sugar-free tea beverage "Zuo Wei Cha Shi", coming to the attention of the public with the brand slogan "A cup of good tea, adding fresh and cool to your meal". The product focuses on zero sugar, zero fat and zero carbohydrates. The addition of dietary fiber imported from the United States helps maintain the intestinal function while maintaining the mellow tea taste and helping consumers keep fit.



## Good Products, Quality Insistence

### Improve the Quality Management System

Quality is the lifeline of an enterprise. CR Enterprise strictly controls product quality and food safety, and initially establishes a quality and food safety management system covering the whole chain of "research and development, procurement, production and sales", with risk management as the core, in accordance with laws and regulations, and based on advanced management standards and excellent practices at home and abroad. More than 10 new special management systems for quality and food safety have been newly published. It has actively promoted the construction of quality standards for product internal control and established a quality standard database for CR Enterprise's internal control. It has strictly managed the access of raw material suppliers, implemented internal and external inspection and control with high standards and requirements, and implemented and ensured product safety from the source. In 2019, more than 2,200 self-owned brand products of the Company achieved 100% coverage of internal control quality standards. More than 300 internal control standards were stricter than national laws and regulations, and some of the indicators were at the advanced level in the industry.

#### • CR Ng Fung

Established and improved consumer-oriented full-supply-chain quality and food safety management system, covering the three levels of headquarters, profit centers, and grassroots enterprises, focusing on five subsystems including target responsibility, standard system, monitoring and early warning, evaluation and examination and feedback improvement, and encompassing China Resources EHS management elements/ISO 9001 /HACCP/FSSC 22000/GAP.

#### • China Resources Snow Breweries

Built SnowMS • QFS Quality Management System, accumulatively issued 61 training quality standards for all subsidiaries; formulated relevant food safety management systems such as Food Safety Emergency Plan, Product Recall System and Key Quality Control Points; in 2019, the qualified rate of products leaving the factory was 100%, and the qualified rate of national supervision and random inspection was 100%, which reached the level of superior product by the national standard Beer.

#### • CR C'estbon

Strictly implemented the SPM system management requirements, implemented all-round monitoring of the quality and safety risks of the industrial chain, improving the quality assurance level; strictly controlled quality risks through inspection, audit, and unannounced inspection.

#### • Sichuan Lihong

Established a quality supervision department and set up full-time inspection and quality management positions; implemented quality management, food safety (HACCP), environmental management and occupational health and safety management system integration and certification; in 2019, it organized 16 exchange meetings for internal control quality standards at all levels, and trained 530 people.

#### • International Distribution

Hong Kong Region carried out product tracing exercises to ensure that products can be tracked from procurement to storage to shipment; conducted quality and food safety review training for food packaging and processing employees.

Fruit Division improved the Product Quality Internal Control Standards, and first divided the internal control quality standard indicators into safety standards and quality standards, including 13 quality standards and 53 safety standards; strengthened product safety testing, carried out exchanges and cooperation with third-party laboratories, and invested RMB 160,000 in product testing costs in 2019.

Aquatic Products Division created the entire traceability chain of aquatic business based on the entire electronic traceability system of Hong Kong China Inspection, which has covered more than 40 Maxim's catering stores.



### Improve the Ability of Full-Time Staff

CR Enterprise attaches great importance to improving the ability of full-time management personnel for quality and food safety. It has actively carried out publicizing and training of key systems such as the Management Measures for the Quality and Food Safety Traceability System and the Management Measures for Entrusted Processing Quality and Food Safety; held a food safety internal auditor training course and trained 118 internal auditors of food safety management system; established inspection teams within and outside of CR Enterprise and carried out cross-inspection of enterprises at all levels; organized to study in excellent enterprises, continued to improve the ability of quality and food safety management personnel, cultivated quality and food safety culture, and further promoted the provision of safer and more reliable products for consumers.





## Improve Emergency Management

CR Enterprise has actively promoted the establishment and improvement of food safety emergency management mechanisms, and established and improved accident management, non-conforming product disposal and recall systems; required all profit centers to formulate and refine emergency plans for food safety accidents, and carry out emergency drills to continuously improve the enterprise's emergency response capabilities, employee quality, and food safety awareness.

- CR Ng Fung

Established the quality and food safety traceability system, formulated CR Ng Fung Food Recall Management Measures, and regularly organized food recall drills.

- CR C'estbon

Established a leading group for beverage safety accident emergency response work, formulated the Drink Safety Accident Emergency Management Mechanism, and clarified the product traceability and recall management regulations; strengthened the training and guidance on dealer warehousing and traceability requirements.

- Sichuan Lihong

Established and improved the food safety emergency plan system and operation mechanism, established a product recall management system and customer complaint management system, and standardized and guided emergency handling.

## Close Service to Win Customer Trust

### Close Customer Service

CR Enterprise insists on "devoting to winning customer satisfaction and trust". It has actively promoted the construction of service quality management system in each profit center, continuously improved customer service ability and level, and built a high-quality service team; established diversified communication channels, actively carried out customer satisfaction surveys, and gained a deep understanding of customer needs; established and improved the after-sales service mechanism, improved the complaint handling process, and continuously improved customer satisfaction.

- CR Ng Fung

Carried out customer service management throughout the sales process, promptly fed back and dealt with customer problems and complaints, sent special personnel to follow up and investigate, achieved rapid feedback and processing, and improved customer satisfaction.

- CR C'estbon

Set up a special customer service center, improved the service management system, and set up a national customer service hotline; carried out satisfaction assessment for 16 consecutive years. In 2019, the overall satisfaction of consumers with the C'estbon brand was 90 points.

- China Resources Snow Breweries

Established a rapid response system for market complaints; tracked the national 400 customer service telephone feedback information, standardized quality complaint compensation and improved management requirements, optimized consumer bad experience feedback and processing procedures, and improved customer service quality.

- China Resources Logistics

Regularly organized training on the theme of customer service quality to help employees master necessary service management skills, basic first aid knowledge and other skills. In 2019, it conducted a property management service questionnaire survey, and the overall customer satisfaction was 100%.

Scan the QR Code and Read



My Customer Service Team and I

## Customer Rights Protection

CR Enterprise has carried out sales work in accordance with the Law of the People's Republic of China for Countering Unfair Competition, adopted unified sales pricing in China, and continuously improved the accessibility of products and services; strictly followed the requirements of relevant laws and regulations, implemented product labeling and publicity compliance, warned of potential risks of products, and fully protected consumers' right to know, independent choice and fair trading rights; strengthened customer information security and safeguard consumers' basic rights and interests.

- CR Ng Fung

It has paid attention to protecting the security of customer information, established a punishment warning system, and strictly prevented the leakage of customer information; standardized the production and operation, and ensured the authenticity and compliance of advertising.

- China Resources Snow Breweries

The product packaging is set with a warning sign that "overdrinking is harmful to health"; the homepage of the official website has an age restriction, which prohibits minors from browsing; it has formulated and issued the Administrative Measures for Self-Media Platform to strictly standardize the review of platform content; it has implemented information grading management, and relevant personnel involved shall sign the Confidentiality Commitment to ensure information security.



Entry page of official website of China Resources Snow Breweries

- CR C'estbon

All products are faithfully labeled with raw material ingredients to consumers. In the supervision and random inspections and entrusted inspections by relevant state departments, the labels of CR C'estbon products (including ingredients list) are all qualified.

## Popularization of Product Knowledge

CR Enterprise has actively carried out multi-level, three-dimensional, and wide-ranging product knowledge promotion activities for consumers and the public through online and offline diversified platforms; while providing high-quality health products and services to the public, it advocates healthy and sustainable consumption concepts and shares a better life with consumers.

- CR Ng Fung

By inviting stakeholders to participate in the "Enterprise Open Day" activities, it has enhanced mutual exchanges and communication; it has actively participated in important industry activities, and promoted consumer brand awareness through on-site product promotion.

- China Resources Snow Breweries

It has used media platforms to promote the importance of rational drinking - "Don't drink and drive", and 10% of the media are used for ads about rational drinking/driving without drinking every year; it has continued to sponsor the China Alcoholic Drinks Association to carry out the "Rational Drinking Promotion Week" activity.



Yangzhou Ng Fung Fuchun holds "Public Open Day"



China Resources Snow Breweries launched 2019 Ulanhot Snow Beer Carnival



CR C'estbon focuses on public transport advertising





What is a high-quality life? Is it carefreeness, the abundance of material life, or the contentment of the spiritual world? Sun Jiake from CR Ng Fung Xibaipo Laying Hen Breeding Base gives us a standard answer with his growth story.

At the base, Sun Jiake is an ordinary team leader in a processing workshop. He is only 27 years old and over 1.8 meters tall, but he is always called "Brother Jia" or "Jiajia" by his colleagues. Because "Brother Jia" is a role model, and "Jiajia" is very kind.



**"I have done more than others, and then I must have learned more than others."**

At the Xibaipo Base, Brother Jia has maintained the record of "fastest promotion": He spent only nine months from joining CR Ng Fung as a sorter at the grass-roots egg warehouse in December 2014 to the promotion to a team leader of the sorting workshop in September 2015. During this period, from knowing nothing about egg sorting at the beginning, he quickly grew into a professional and technical sorter. Now, he can not only identify the quality of eggs with eyes, but also is the leader in the operation of automatic egg sorting and packaging equipment at the base. He can skillfully operate the digital display system of MOBA equipment and use the numbers displayed by the equipment to perform accurate analysis on egg quality and volume.



**"Only by always adhering to learning and absorbing all kinds of knowledge, can I better perform my post functions."**

Maintaining a positive and aggressive state is Sun Jiake's most prominent work characteristic. He actively detects the crack system and calculates the false detection rate of the system every day, and selects eggs with unclear cracks as finished products, thus proposing a new lean topic for the Company; through the study of lean, cost management and other knowledge, he has proposed the "one egg" theory, which saves the company about 62.5 kg of eggs per day and about RMB 13,000 per month, effectively improving production efficiency and reducing egg loss. Sun Jiake insists on learning to improve his own quality and ability, so as to better guarantee work and product quality.

**"In the future, we will continue to follow the pace of the large family of the base with confidence and determination, and move forward courageously."**

Colleagues in the team all said, "Jiajia is the cutest person." Because he loves the base and his colleagues. He is the team leader who makes an example and always volunteers to take a lot of extra work. From strict and meticulous management of packaging material warehouses, to the chicken flock change of high-intensity labor and chicken elimination, he gets personally involved and is never absent. He is the most hard-working. Whenever there are a large number of shipments and shortage of staff during loading and unloading of the egg warehouse, he always has no hesitation to join after finishing his work on hand, work overtime until late at night, and is the last one back dorm with tired body.



Scan the WeChat QR code to see more stories of characters in CR Enterprise

Sun Jiake, pragmatic and devoted, hard-working and professional, dedicated and faithful, shows us the wonderful life of struggle in the ordinary base work, with high-quality work delivery and one hundred and twenty passion.

### *We Are Working Hard*

CR Enterprise deeply implements the new development concept to meet the people's pursuit of a better life, and vigorously innovates multiple products to protect consumers' nutrition and health in all aspects; comprehensively builds the quality and safety system, regards product quality and safety as the life of the enterprise, and practices the "people-oriented" corporate values; continues to optimize the customer service experience and works with customers to create a better life.





## Win-Win • Negotiate for Bigger Success in the Future

Partners are an important factor for enterprises to achieve sustainable development. CR Enterprise actively establishes long-term and close strategic cooperative relations with the government, enterprises and universities, and builds a strategic shared cooperation platform to achieve mutually beneficial sharing of information and resources; strengthens the implementation of responsible procurement and strengthens the construction of responsible supply chain; actively participates in internal and external exchanges and cooperation in the industry to promote the development of the industry; strengthens public opinion management, increases active communication, and establishes a responsible corporate image.

### SDGs and CR Enterprise



### Our Achievements

Performance Index	Unit	2019
Ratio of suppliers passing certification of quality, environmental and occupational health and safety systems	%	100

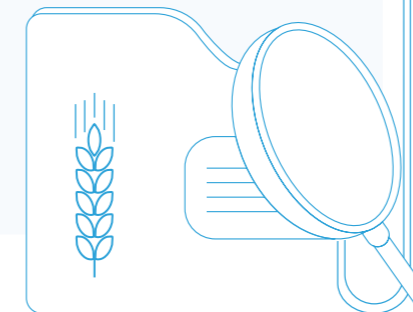
## Build a Platform and Carry Out Strategic Cooperation

### Enterprise Cooperation

CR Enterprise has continuously strengthened exchanges and cooperation with well-known enterprises inside and outside the China Resources, taking advantage of their respective platforms and businesses, and achieving resource sharing and mutual benefit. In 2019, CR Enterprise realized internal collaboration with CR Power, CR Land, CR Env Protection, CR Textile, CR Gas and DEEJ, and achieved strategic cooperation with Heineken, Fenjiu, Guangzhou Pearlriver AIC, IBM and other enterprises.

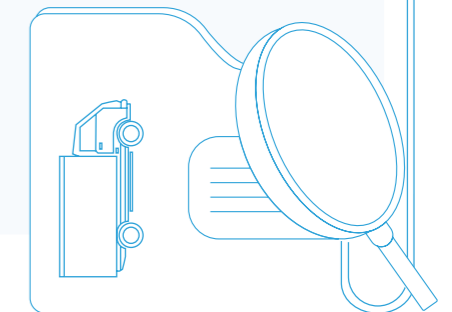
#### CR Ng Fung

Cooperated with DEEJ. Both sides took black donkey breeding as the basic industry and cooperated closely on donkey purchase transactions and live donkey slaughter supply. The cooperation amount was RMB 22 million in 2019.



#### China Resources Logistics

Cooperated with CR Power on the principle of marketization to develop photovoltaic power generation projects, extending business areas, reducing operating costs, and effectively achieving resource sharing. The Beijing photovoltaic power generation project was completed and put into use in October 2019.



### Cooperation with Government

CR Enterprise attaches great importance to government relations. Relying on the resources of China Resources, it maintains close contact with local Party and government agencies. Through visits and investigations, and signing strategic cooperation agreements with local governments, we have reached and further deepened cooperation intentions to serve people's livelihood and promote local construction and development.

#### • China Resources Snow Breweries

Carried out comprehensive strategic cooperation with Bao'an District Government of Shenzhen, integrated superior business and advantageous resources, built China Resources Snow Breweries Headquarters Base in Bao'an, and promoted the construction of its headquarters building, R&D center, craft brewery, beer culture town, etc. to assist industrial transformation and upgrading of Bao'an and actively participate in the construction of "Core of Bay Area, Intelligent Highland, Shared Homeland".

### Industry-University-Research Cooperation

CR Enterprise has continuously deepened industry-university-research cooperation over the years, and is committed to opening up the channel for the integration of technology and economy. It has established stable and good cooperative relations with universities and scientific research institutions for a long time, created a unique cooperation platform, cultivated industry professionals, and improved the quality and efficiency of the transformation of scientific and technological achievements and promoted the quality, efficiency and upgrading of enterprise operations and management.



## CASE CR Ng Fung and Northwest A&F University Established Ningxia Xihaigu High-End Cattle Industry Research Institute

On September 22, 2019, Ningxia Xihaigu High-end Cattle Industry Research Institute was officially established. The institute, a scientific research platform jointly established by the Haiyuan County Government, Northwest A&F University, and CR Ng Fung Agriculture Co., Ltd., gathers domestic talents and superior teams in beef cattle scientific research. It focuses on the key technologies urgently needed for the differentiated development of high-end cattle industry and carries out scientific and technological research and technology integration demonstration. According to the in-depth integration demands of the primary, secondary and tertiary, it carries out technical services of the whole industrial chain, and provides demonstration for the development of high-end cattle industry in Zhongwei City, Ningxia Hui Autonomous Region and even the western region of China.



## Cooperate to Drive the Growth of Partners

### Improve Supplier Management

CR Enterprise continues to improve the procurement management system by formulating and issuing the Supplier Management Measures (Trial), Centralized Procurement Management Measures (Trial), Procurement Review Expert Database and External Expert Management Measures (Trial), and Implementation Rules for Comprehensive Procurement Evaluation (Trial). The Operation Management Division of the headquarters has taken the lead to promote profit centers to form supplier management working groups and supplier on-site inspection teams. It has established a procurement management evaluation system to standardize procurement behavior and prevent execution risks; carried out the procurement system promotion and training to enhance the compliance awareness of procurement personnel. As of the end of 2019, CR Enterprise had established 10 supplier management teams, and the headquarters of CR Enterprise had established the procurement review expert database of 93 people, and completed the procurement management evaluation of five directly managed profit centers.

#### • CR Ng Fung

Issued Supplier Management Measures of CR Ng Fung Co., Ltd., clarifying relevant regulations in terms of supplier qualification inspection, qualification admission, selection criteria and assessment; established Qualified Supplier List, and conducted hierarchical management.

#### • CR C'estbon

Continued to standardize supplier management, improved the recruitment and procurement management platform, and formulated related supporting systems; regularly updated the supplier list, and guided suppliers to practice corporate social responsibility through interviews, training, and tracking improvement; promoted the establishment of a supplier evaluation system, timely assessed their improvement, and promoted the overall improvement of supplier capacity, management, and production quality.

#### • China Resources Snow Breweries

Implemented differentiated revisions by material category and improved 22 certification standards for on-site inspection of material suppliers; formulated Extended Management Measures for Supplier Quality and Food Safety and Comprehensive Evaluation Standards for Supplier Quality and Food Safety, and conducted unannounced inspections to check the performance of suppliers' social responsibilities. In 2019, 12 suppliers were inspected and certified on site, among whom 10 were qualified, and two were unqualified, with a non-conformity rate of 16.7%.

#### • China Resources Logistics

Implemented the whole process management of suppliers such as qualification certification, on-site inspection, cooperative assessment and comprehensive evaluation in accordance with the requirements of the Supplier Management Measures issued by CR Enterprise.



On April 9, 2019, the Promotion and Implementation Training Conference for CR Enterprise Procurement Management System was held in Shenzhen to help all units understand the requirements of the procurement management system to achieve the legal compliance and maximum benefits of CR Enterprise procurement management.



China Resources Snow Breweries carries out on-site quality audit at the malt supplier

### Protect the Rights and Interests of Suppliers

CR Enterprise always adheres to the principles of honest operation and fair competition, abides by industry norms and business ethics, resolutely resists unfair competition, and is committed to creating a good industry environment for fair competition; continues to promote the construction and application of the procurement electronic bidding information platform to realize the informationalized and standardized development of the entire process of procurement and supply chain management; actively expands the procurement sourcing scope of each business system to achieve the collaborative sharing of procurement suppliers of China Resources. As of the end of 2019, 1,142 qualified suppliers had been added to the database.

#### • CR Ng Fung

It has strictly implemented the Procurement Management System of CR Ng Fung according to the principles of separation between evaluation and determination and sampling and inspection; strictly followed the principles of legal compliance, transparency, openness and confidentiality to ensure the fairness, impartiality and openness of material procurement.

#### • China Resources Logistics

It has managed suppliers by classifying them into two categories including "potential and cooperated" suppliers, and treated the suppliers in a fair, just, equal and non-discriminatory manner.

#### • CR C'estbon

It has enhanced communication with suppliers through communication platforms (E-mail), corporate WeChat, coordination meetings, and cooperative communication meetings. It has also actively carried out recruitment and procurement through public bidding or the announcement of recruiting suppliers, and included suppliers that meet the standards into the supplier database to expand supplier resources.

### Facilitate Supply Chain Growth

CR Enterprise regards suppliers and distributors as long-term partners, and continuously strengthens communication and exchanges with suppliers and distributors. By quality training meetings, monthly assessment and communication, and other means, it prevents risks in advance, improves product quality, and effectively promotes the sustainable development of supply chain.



China Resources Snow Breweries

In order to grow together with suppliers, China Resources Snow Breweries regularly conducts supplier quality training to strengthen quality awareness and enhance supplier quality assurance capabilities. In 2019, China Resources Snow Breweries conducted quality training for four suppliers including Wuchang Mintian Rice, Wuhan Meiyi Carton, Chengdu COFCO Syrup, and Gansu Yasheng Lvxin Hops.



China Resources Snow Breweries conducts quality training for suppliers of Wuchang Mintian Rice

CR C'estbon

It has implemented supplier inspection mechanism, discussed improvement points with suppliers and issued correction plan; carried out inspection training and promotion of important material suppliers, and provided training for suppliers with weak quality control capabilities; invited strategic cooperation suppliers to participate in projects such as green production and sustainable supply chain systems, and encouraged the use of environmentally friendly and sustainable recycled materials.



CR C'estbon carries out inspection training and standard promotion for important material suppliers

## Innovative Collaboration to Promote Industry Development

While achieving its own development, CR Enterprise and its profit centers adhere to the cooperation concept of "reciprocity and win-win", strengthens communication with industry organizations and associations, and builds industry exchange and cooperation platforms; actively participates in exchange meetings and activities of major industry, actively participates in industry discussions, promotes the formulation of relevant policies and standards, innovates industry technologies, etc., developing and progressing together with industry partners.

CR Ng Fung

- Executive Member of China Meat Association (CMA)
- In August 2019, it attended the Shenzhen International Modern Green Agriculture Expo
- In September 2019, it attended the 17th China International Meat Industry Exhibition

China Resources Snow Breweries

- Deputy Director Unit of China Alcoholic Drinks Association, Vice Chairman of Beer Committee of China National Food Industry Association
- In May 2019, it attended the CRAFT Beer China Conference 2019
- In October 2019, it attended the 14th China International Alcoholic Drinks Expo (CIADE)

CR C'estbon

- Vice Chairman Unit of China Beverage Industry Association, Vice Chairman Unit of China Beverage Industry Association Natural Mineral Water Branch, Guangdong Bottled Drinking Water Industry Association, and member unit of 20 professional industry associations including Technical Working Committee of China Beverage Industry Association and Mineral Water Professional Committee
- It attended 26 industry seminars and social welfare projects in 2019

Sichuan Lihong

- It conducted in-depth exploration of research and development of new products and research on the index of pepper oil product pungent degree, and released pungent degree standard of Sichuan Province



CR C'estbon attends China Beverage CBST2019 Exhibition



CR Ng Fung attends the Fifth International Modern Green Agriculture Expo

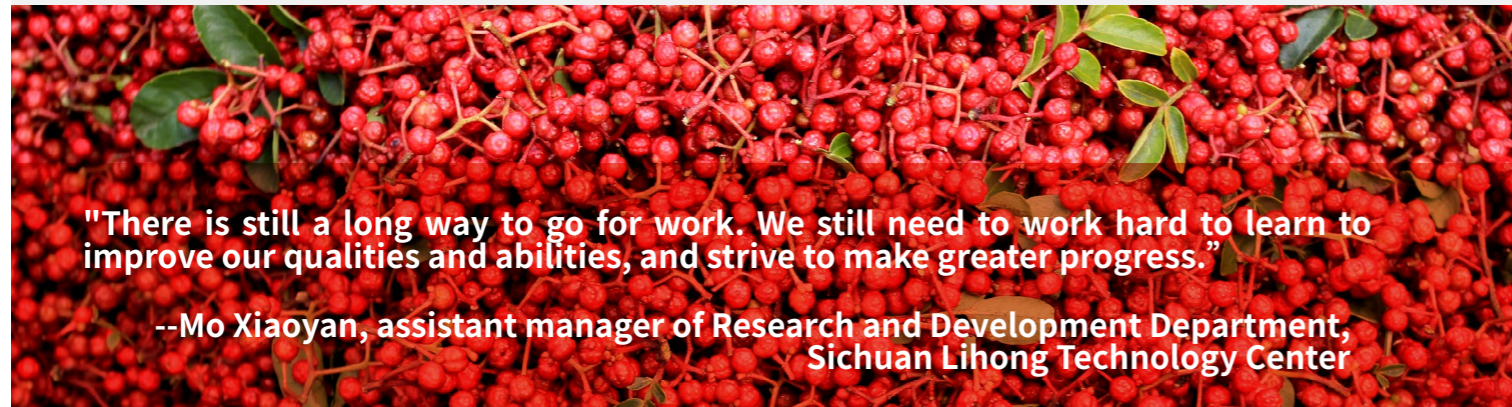
## Conduct Media Communication to Enhance Information Disclosure

CR Enterprise and profit centers actively expand diversified communication channels, pay attention to the development of public opinion in a timely manner, strengthen information disclosure, actively accept media supervision, and disseminate positive company information and images to stakeholders through the Company's official website, official WeChat platform and various media platforms to tell stories about responsibility fulfillment of CR Enterprise. In 2019, the official WeChat of CR Enterprise released 127 illustrated articles.

From September 22, 2019 to October 3, CR C'estbon and people.cn launched the "People's Red · Express your love to motherland" pop-up store activity in Shenzhen, launching the people.cn x CR C'estbon "Express your love to motherland bottle" limited edition.







**"There is still a long way to go for work. We still need to work hard to learn to improve our qualities and abilities, and strive to make greater progress."**

**--Mo Xiaoyan, assistant manager of Research and Development Department, Sichuan Lihong Technology Center**

### Starting

In 2009, Mo Xiaoyan graduated from Sichuan Agricultural University and joined Sichuan Lihong as a fresh graduate. For ten years, she has always been diligent and hard-working and enterprising. Her colleagues said, "She is hardworking, modest and motivated, and maintaining a positive and aggressive attitude is her most prominent work characteristic." It is also because of this brave and dountless spirit that Mo Xiaoyan quickly became the backbone of the Company.

### Development

Pepper oil, as a special seasoning food, is popular among the public because of its strong pepper flavor and pungent taste. However, there are no national and industry standards to guide its production, and the quality of pepper oil products on the market varies. In order to promote the healthy development of the industry, Sichuan Lihong relied on the industry-university-research platform of "Condiment Processing Technology Joint Research" laboratory jointly established with Sichuan University, cooperated with Sichuan Food and Drug Inspection and Testing Institute and Ya'an Product Quality Supervision and Inspection Institute to make significant achievements in the construction of the standard system for pepper oil testing and the Company completed the preparation of the standard for pepper oil as a drafting unit. Mo Xiaoyan participated as a key member of the Company.



### Breakthrough

The quality control of pepper oil is a hurdle that must be crossed on the way to build a standard system for pepper oil testing. Mo Xiaoyan motivated everyone in the project team to move forward steadily with the enthusiasm of "never giving up without success". In order to overcome the quantitative testing of pungent degree of pepper and realize the digitization and dataization of indicators, she actively coordinated college resources and led the team to study the flavor components of pepper and its contribution to the taste of the pungent degree, and solved the problem of separation, purification and preparation of the standard products of the pepper flavor. She actively sought opportunities, learned from the Ya'an Product Quality Supervision and Inspection Institute, Sichuan Food and Drug Inspection and Testing Institute, conducted experiments and verification on the spot. Combined the Company's business practice, she took repeated trials and made summaries, and obtained a large amount of first-hand data to form the method for the determination of fagaramide and made remarkable achievements in the construction of the standard system for the detection of pepper oil. She has made positive contributions to the internal control of the pepper and its products and the cost reduction and efficiency increase of the Company.

### A New Starting Point

In 2019, the "Special Research Project on Inner Quality Control of Pepper Oil Products" participated by Mo Xiaoyan won the EHS Project Effectiveness Award of China Resources. At the same time, the technical achievement was applied to the establishment of Sichuan Local Food Safety Standard for Pepper Oil. Sichuan Lihong completed the preparation of Sichuan pepper oil standard as a drafting unit. The standard was published on December 31, 2019 and will be officially implemented on July 31, 2020. This not only helps the Company establish a brand and image of industry leader, wins a higher platform for the Company's development, but also provides guidelines for the production of pepper oil, and guides the sustainable and healthy development of pepper oil industry.



Mo Xiaoyan is never arrogant for her achievements and always keeps her original intention in silence. In her view, action is the most powerful language. There are still many challenges for the future development of the industry. She is confident and determined to go further on this road of struggle.

### *We Are Working Hard*

CR Enterprise has always maintained an open and cooperative attitude, strengthened the internal linkage of its companies, vigorously carried out internal business collaboration, and fully explored internal resources; actively explored and further developed strategic partnerships with partners such as governments, enterprises, media and suppliers to achieve effective resource sharing and promote sustainable development of the industry; used diversified communication methods and channels, actively promoted the concept and practice of corporate social responsibilities, so that corporate social responsibility can be perceived by more stakeholders.



# PART II

## Work Together to Forge a Better Life







## Intergrowth • Create a Better Future Together

Employees are an important foundation for the survival and development of enterprises. CR Enterprise adheres to the "people-oriented" development concept, fully protects the basic rights and interests of employees, pays attention to the needs of employee growth and development, deeply taps the potential of employees, and cultivates outstanding industry talents; respects the value of employees, unblocks career development channels, and builds knowledge-based and shared development platforms; cherishes every employee, takes good care of employees' work and life, comprehensively protects employees' occupational health and safety, and creates fair and open, healthy and safe working conditions and environment.

### SDGs and CR Enterprise



### Our Achievements

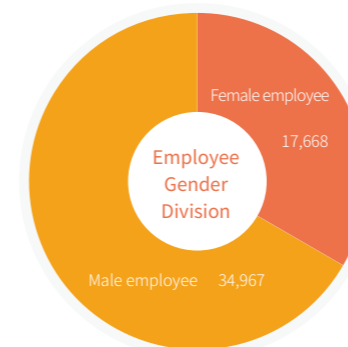
Performance Index	Unit	2019
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Physical examination coverage rate	%	100
Proportion of female managers	%	19

## Respect Employees and Safeguard Legal Rights

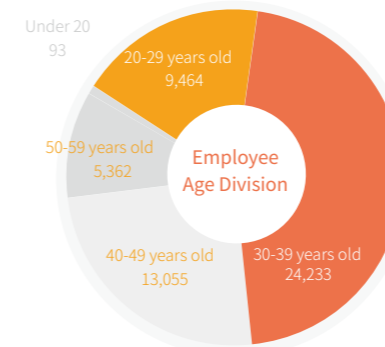
### Basic Rights Protection

CR Enterprise strictly abides by the Labor Law of the People's Republic of China and other relevant laws and regulations, establishes and improves the employment management system, adheres to the principle of equal employment, and opposes all discrimination based on gender, region, nationality, education, and religious belief; eliminates the use of child labor and ensures employment in accordance with the law; protects the privacy of employees, and strives to create a fair and just working environment. In 2019, CR Enterprise had 52,635 serving employees, including 2,942 minority employees and 49 foreign employees.

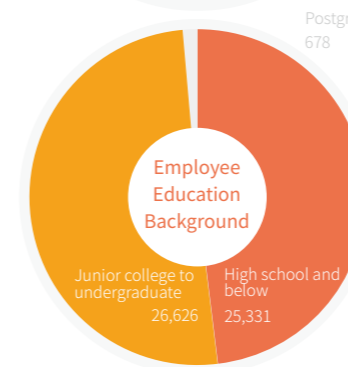
CR Enterprise has established reasonable salary and welfare systems, signed legal labor contracts, paid social insurance stipulated by the state, and paid MPF for employees in Hong Kong; introduced enterprise annuity and supplementary commercial insurance for all employees. Employees enjoy national statutory holidays and annual leave according to law, and female employees enjoy maternity leave and breastfeeding leave. It has built a human resource sharing service center, provided employees with relevant rights and interests policy interpretation, promoted the Company's human resource business intelligence and information construction, and improved processing efficiency and employee satisfaction.



Female employee **17,668**  
Male employee **34,967**



Under 20 **93**      40-49 years old **13,055**  
20-29 years old **9,464**      50-59 years old **5,362**  
30-39 years old **24,233**



High school and below **25,331**  
Junior college to undergraduate **26,626**  
Postgraduate and above **678**



## Implement Democratic Management

CR Enterprise has continuously improved its democratic management system and maintained a simple, positive and happy working atmosphere. The Company's human resource department has set up an employee relations group to build a communication bridge between employees and the Company, unblock communication channels for employees, encourage employees to put forward valuable opinions and suggestions on the Company's operation and management, and promptly track and maximize the implementation of relevant opinions and suggestions.

## Pave the Way for Employee Development

### Improve Training System

CR Enterprise attaches great importance to talent training. With the guiding principle of "respect employees' value, develop employees' potential, and improve employees' mental state", it constantly improves the employee training management system and creates a layered and graded talent training system. The Company actively builds internal lecturer training and certification platforms, provides various types of vocational training based on China Resources University and high-quality internal and external resources, and promotes the improvement of employees' professional ability and comprehensive quality. At the same time, through the excellent operation management system, it continuously cultivates and imports lean talents for the Company and profit centers, and injects "fresh water" into the Company's operation and development. In 2019, the Company formulated 105 professional curriculum system outlines for China Resources Snow Breweries, provided information and lecturer resources for 15 courses in the plan, and supported China Resources Snow Breweries to complete the 2019 professional and general ability training plan.

### CASE CR Enterprise Held the First "Business Startup and Sharing" Internal Lecturer Training Project

In May 2019, CR Enterprise officially launched the First "Business Startup and Sharing" Internal Lecturer Training Project, aiming to create the first batch of internal lecturers who "are good at summarizing, love sharing, and dare to innovate" through high-quality lecturer empowerment learning projects. Thirty candidate lecturers from CR Enterprise headquarters and profit centers were successfully selected to the talent training pool, and they were systematically cultivated through online introduction of theoretical knowledge, offline training/practice of teaching skills, and offline training/practice of experience extraction technology. CR Enterprise managers and professional backbones fully played the role of experience inheritance in operation management and the leading role in talent training. The project has promoted the knowledge sharing and experience exchange of CR Enterprise and profit centers, and provided talent support for the coordinated development of the Company's business.



"Business Startup and Sharing" Internal Lecturer Training Project



CR C'estbon Financial Management Training Course

CR Ng Fung Star Class

CR Enterprise held New Employee Training in 2019

Pacific Coffee New Employee Orientation Training

China Resources Logistics Catalyst Leadership Training

## Unblock Promotion Channels

CR Enterprise pays attention to the development of every employee, sets up a "dual channel" of career development, continuously improves the system of professional promotion of talents, provides employees with a broad platform for value realization and growth space, and realizes the common growth of employees and the Company.

### CR Ng Fung

Clearly defined and divided the sequence of employee positions to achieve differentiated management of different positions; promoted the "dual-track" promotion mechanism of management sequences and professional sequences, broadened the development space of professional channels, and provided mechanism guarantee for employees to switch between professional channels and sequences.

### China Resources Snow Breweries

Built a career development channel framework that covered the entire organization level and the entire business system, clarified the qualification criteria for employment, and formulated a "dual channel" promotion model to clarify the direction for employees to improve their comprehensive capabilities.

### CR C'estbon

Strictly implemented personnel selection and appointment procedures, adhered to the correct selection and employment orientation, and adhered to job matching; paid attention to the training of young backup managers and increased talent reserves.



## Care for Employees and Build a Happy Home

### Occupational Health Management

CR Enterprise has attached great importance to the occupational health management of employees, and promulgated the Occupational Health Management Measures of China Resources Enterprise, and provided employees with activities such as annual health checkups, the occupational disease education and consultation services, and the promotion of occupational disease prevention laws to provide comprehensive attention and care for employees' physical and mental health; engaged third-party organizations to detect occupational hazards, took measures to reduce dust on site, increased sunstroke prevention and cooling equipment, and fire-fighting equipment, and strived to create a safe, healthy, and warm working environment for employees.

#### CASE China Resources Snow Breweries Suining Factory Held Experiential Training Activities for Occupational Health and Safety Protection

On July 22, 2019, in order to enhance employees' occupational health and safety awareness and protection capabilities, China Resources Snow Breweries Suining Factory invited professional labor insurance suppliers and safety service providers to use container trucks as carriers to carry out "experiential training for occupational health and safety protection" for more than 60 people from various departments and related parties of the Company to help relevant personnel analyze the hazards in the workplace and master the basic knowledge of correctly selecting, using and maintaining personal safety protection equipment according to the hazards.



Demonstration of wearing a dust mask



Demonstration of wearing a seat belt

### Work-Life Balance

CR Enterprise adheres to people-oriented and pays attention to the care of employees' lives. Through various recreational and sports activities such as athletic meetings, interest competitions, holiday activities, outdoor group building, and special lectures, it helps employees balance work and life, shape a positive spirit and create a CR Enterprise home, that makes employees happy and satisfied.



"The 70th anniversary of the founding of the PRC, greet the future with creation" First Employee Fun Athletic Meeting of CR Enterprise



Employees of CR Enterprise participate in the 2019 Huarun Shenzhen Nanshan Half Marathon



CR Ng Fung Hong Kong Meat Business Department launches a team building activity of "gather strength and stay true to the mission"



China Resources Snow Breweries Deyang Branch launches Happy Swimming Competition



CR C'estbon carries out a walking activity of "stay true to the mission, love China and work together"



Zhejiang Ng Fung Cold Food builds basketball courts for employees

### Caring for Special Employees

CR Enterprise and profit centers establish mutual care mutual funds to actively help employees in need; pay close attention to the work and life of female employees and retired employees, and continuously improve employees' sense of belonging and happiness.

#### CR Ng Fung

Established the Charity Mutual Assistance Foundation, formulated the Statutes of Charity Mutual Assistance Foundation of CR Ng Fung, standardized the charity rescue process, and strictly implemented the rescue policy.



### China Resources Snow Breweries

Established Beer Relief Fund to help families of employees in need with internal donations. In 2019, it provided assistance and care to more than 1,000 employees.

### CR C'estbon

As of the end of 2019, the "Employee Mutual Assistance Fund" had subsidized 106 families of employees and issued mutual assistance funds of RMB 2.95 million.



China Resources Snow Breweries Zhejiang Region Jiaxing Factory sets up women's homes



CR C'estbon Xinjin Factory launches outdoor spring outing activities on Women's Day

## Guard Employees and Implement Safe Production

### Strengthen Safety Production Management

CR Enterprise has actively responded to national policies and relevant laws and regulations, and learned advanced production and operation practices based on its own production and operation practices. It released four special management systems for production safety in 2019, established responsibility and communication mechanisms for the contact persons of each profit center, and effectively responded to various emergencies; continued to promote safety risk pre-control management, comprehensively supervised the implementation of safety hazard investigation and governance projects, and did a good job in safety production. In 2019, CR Enterprise invested HK\$ 123 million in safety production, carried out EHS inspection for seven times in total, covering 25 grass-roots enterprises, and closely followed up and urged the inspected profit centers to complete rectification and detect hidden dangers.

At the same time, it has actively promoted the establishment of sound safety emergency management systems in various profit centers, organized various safety emergency drills, constantly revised and improved safety emergency plans, and continuously improved the Company's emergency response speed and handling capacity for safety accidents. In 2019, the profit centers of CR Enterprise carried out 3,489 emergency drills.

#### China Resources Snow Breweries

It conducted more than 4,300 safety inspections at all levels, and constantly improved based on inspection results to improve safety management effectiveness. In 2019, more than RMB 71 million of special safety funds were invested to improve, transform and maintain safety protection equipment and facilities, and evaluate and rectify hazard sources and safety hidden dangers, so as to ensure the safe production of the brewery.

#### CR Ng Fung

The subordinate profit centers realized the signing of safety responsibility letters from the person in charge to the grassroots employees, and formed a safety production responsibility model in which Company leaders bear overall responsibilities and managers of each department are mainly responsible. In 2019, CR Ng Fung invested RMB 13.196 million in safety production, had 104 full-time safety management personnel, conducted safety training for 140,900 employees, carried out 85 safety emergency drills and had zero safety accident and casualty.

#### CR C'estbon

It incorporated the investigation and management of hidden dangers in production safety into the elements of the production safety system. It continued to carry out "observation of safe behavior activities", timely exchanged on the employees' unsafe behavior found in the inspection and help improve. In 2019, 2,834 potential safety hazards were found through various inspections, with a rectification rate of over 95%.

#### China Resources Logistics

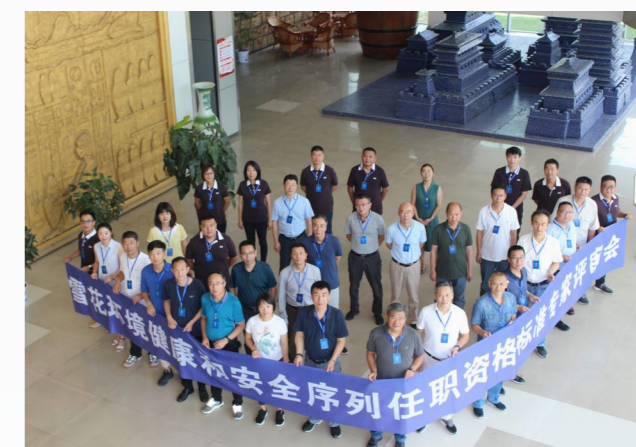
The Shenzhen company revised the Forklift Safety Operation Rules to uniformly standardize the operation procedures and standards of the forklift positions with high risk factors of the company, and dealt with incidents that caused equipment damage due to failure to comply with the operation regulations according to the "seriously deal with the four cases" principle, and gradually strengthened employees' awareness and behavior of operating according to regulations.

### Training Safety Culture

CR Enterprise has attached great importance to safety publicity and training, strictly implemented the relevant requirements of the China Resources, carried out in-depth safety culture construction, regularly published EHS publicity special issues and articles, and promoted EHS management concepts; actively participated in relevant forums and seminars, carried out safety production surveys and research, and expanded new horizons of EHS; organized various internal and external safety production education and training activities in various forms and with rich contents to promote employees' understanding of safety production concepts and awareness. In 2019, CR Enterprise headquarters held the third pre-examination training course for national intermediate-level certified safety engineers focusing on production safety, training a total of 115 employees; organized EHS full-time management personnel of each profit center to participate in three external communication activities.

### CASE China Resources Snow Breweries Researched and Formulated EHS Serial Qualifications and Rank Evaluation Standards

China Resources Snow Breweries researched and formulated EHS serial qualification criteria and rank evaluation standards, determined the EHS career development direction of China Resources Snow Breweries. According to the Company's employee career development plan and the serial qualification criteria, it developed and implemented the rule design guidelines, determined the basic employment conditions, the division of modules in knowledge and skills, the single module upper limit and the multi-module rating principle, and discussed and designed the specific standards of EHS business modules at all levels.







What is the spirit of Hong Kong? No matter what status you are in, you can say "I want to do the job well". It's years of hard work, innovation and progress, and self-improvement; it is optimism at any time. In the CR Enterprise, a central enterprise in Hong Kong, there are countless Hong Kong employees. With their practical, hard-working and professional attitudes, they have proved to the world that the spirit of Hong Kong is immortal.



The night is quiet under the Lion Rock. The lights on the coastline, in the tall buildings, and on the road become the most dazzling scenery in the entire city, and the city is particularly quiet though it is full of noisy in the daytime. It was already two o'clock in the morning. At the Yun Fat Building in Hong Kong, a person finally turned off the computer and was ready to get up and go home. Two o'clock in the morning in Hong Kong silently witnessed the efforts and dedication of Joanna, a legal worker of China Resources Logistics, in her post for more than 20 years.

### Legal Studies Starting from Copying Materials

In 1994, Joanna joined Huaxia Enterprise Co., Ltd. (predecessor of China Resources Logistics). At that time, the department in charge of legal affairs was also called the claims department. Most of employees were experienced, which made the fledgling Joanna feel more pressure. More than a year after entering the company, Joanna almost helped other employees enter and copy materials all the time, which made her unable to find the direction and meaning of the job. Later, she began to consciously use the opportunity of copying materials to read and learn how each manager handled the case. This incident also made her understand that active thinking at work was the basis for promoting her own progress.

### People in Hong Kong Can Speak English and Chinese

As Joanna needed to handle more and more Chinese affairs, at the suggestion of the leader, she enrolled in Peking University's law course at Hong Kong's Shue Yan University. Recalling this experience, Joanna sighed that it was quite hard to get through that time. The course lasted four years with extremely stressful coursework. In addition, the legal workers in Hong Kong have always studied in English. It was even more difficult for her to have classes and pass the exams in Chinese. Hard work will lead to success. Joanna finally got a degree.

### Behind the Legal Affairs Is That She Does Not Want to Betray That Trust

In June 2015, the Company faced litigation. In order to protect the Company's interests, Joanna, who was not a technician, needed to understand complex technical issues, provided evidence to lawyers in a timely manner, and also needed to communicate and coordinate with law firms, insurance companies, and superior lawyer groups. Halfway through, because key witnesses were unable to appear in court, Joanna and the team had to re-collect relevant evidence. Night and day, they worked very hard. In June 2017, the good news finally came from the court, which also had a positive impact on the Company's future legal work and security work.

With this tenacity and persistence, Joanna has now become the backbone of legal affairs of China Resources Logistics. Sometimes it is just the leader's words "This document needs Joanna's review, and we will only sign what she has reviewed" that makes Joanna feel a heavy trust. Because of this trust, Joanna said that no matter how hard it is, she must do her best.



Scan the WeChat QR code to see more stories of characters in CR Enterprise

### We Are Working Hard

CR Enterprise will continue to implement the development objective of "respect employees' value, develop employees' potential, and improve employees' mental state", establish and improve the talent management systems, listen to employees' demands, protect employees' legitimate rights and interests, help employees grow, and give employees more care.





## Co-building • Sustainable Green Development

CR Enterprise regards environmental protection as an important part of corporate development, improves the environmental management system, strictly controls indicators of energy conservation and emission reduction, integrates green environmental protection concepts into production and operation, daily office and other links, continuously improves energy efficiency and reduces waste emissions, making the good ecological environment a supporting point for the sustainable development of enterprises, and helping build a beautiful China with bluer sky, greener mountain and clearer water.

### SDGs and CR Enterprise



### Our Achievements

Performance Index	Unit	2019
Total investment in environmental protection management	HK\$ 100 million	1.71
Comprehensive energy consumption	10,000 tons of standard coal	29.00



## Green Management to Lay a Solid Foundation for Environmental Protection

CR Enterprise has established an EHSQ department to be responsible for environmental management-related work. Through aligning to the elements of China Resources EHS management system and combining its own business practices, it has built a framework for CR Enterprise EHSQ management system. In 2019, it compiled and released two new special management systems for environmental protection; established early warning and emergency response mechanisms for environmental protection, organized special investigation and treatment of ecological protection and pollution prevention, and timely verified and supervised the implementation of rectification; increased investment in green procurement and actively promoted the construction of green supply chains.

#### • CR Ng Fung

The Sheung Shui Slaughterhouse, Ng Fung Fuchun, Shenyang and Wuchang factories of rice supply chain, and Hangzhou Ng Fung Meat Sales Branch passed the ISO 14001 environmental management system certification.

#### • China Resources Snow Breweries

Established and improved the management organization of energy conservation and ecological environment protection of China Resources Snow Breweries headquarters, regional companies and regional factories, with about 89 full-time environmental protection management personnel; developed Environmental Protection Assessment Standards, set up nearly 1,400 environmental protection assessment indicators, and carried out environmental protection system assessments and unannounced inspections every year. In 2019, it completed the environmental protection assessment and inspection of 14 regional companies and 20 production factories.

#### • CR C'estbon

Promoted the packaging improvement project of raw material suppliers (bottle caps), and changed the disposable carton packaging to iron cage packaging. It is expected to save about 4,300,000 cartons and 4,000 tons of base paper throughout the year, equivalent to saving 140,000 cubic meters of water resources.

#### • International Distribution

The Messi planting base of Fruit Division promoted the ecological environment protection of planting base through registration and filing of environmental impact assessment.

CR C'estbon won the Water Saving and Energy Saving Award at the annual meeting of China Beverage Industry Association Annual Meeting in 2019



## Green Production to Implement Ecological Protection

### Promote Energy Saving and Consumption Reduction

CR Enterprise adheres to the principle of sustainable development, continuously promotes the construction of resource-saving and environment-friendly enterprises, and develops a sustainable circular economy; each profit center strictly implements energy conservation, emission reduction, and consumption reduction, eliminates backward production capacity, expands the use of clean energy, encourages and promotes environmental protection technology innovation, and promotes the comprehensive utilization and recycling of resources to achieve the goals of energy consumption minimization, benefit maximization and environmental optimization. In 2019, comprehensive energy consumption decreased by 9.86% year on year, coal consumption decreased by 72.69% year on year, and comprehensive energy consumption per RMB 10,000 of output value decreased by 6.87% year on year.



### China Resources Snow Breweries

Formulated and improved management systems and standards such as the Energy Conservation and Emission Reduction Management System and Energy Measurement Apparatus Provision and Management Standards to standardize environmental protection and energy conservation and emission reduction management; continued to eliminate coal-fired boilers and increased the proportion of clean energy consumption.

### CR C'estbon

Eliminated fuels which can cause high pollution and vigorously used clean energy. In 2019, electricity consumption accounted for 83.18% of the Company's total energy consumption, natural gas accounted for 7.98%, heating power accounted for 8.35%, and the proportion of clean energy gradually increased.

### International Distribution

The egg product warehouse pallets in Hong Kong Region were mainly undamaged second-hand pallets in major supermarkets and airport freight stations, and can be reused, saving an annual purchase of pallets of approximately HK\$ 250,000.

Aquatic Products Division improved production process flow, introduced automated production lines, reasonably allocated the resource parameters such as power consumption and water consumption, ensuring efficient production while realizing low consumption and low pollution.

### CASE Pacific Coffee Launched a Series of Energy Saving and Consumption Reduction Actions

In 2019, Pacific Coffee took the initiative to promote the "plastic reduction" action, removed the self-service of plastic consumables such as in-store straws, and volunteered to join the China Zero Plastic Enterprise Alliance initiated by WWF. Some stores placed collection boxes for coffee insulation covers and implemented recycling of paper cup covers; reduced the number of printed documents to achieve the benefits of reducing paper consumption and saving energy. Pacific Coffee in Hong Kong and overseas stores cooperated with Ocean Recovery Alliance (ORA) to launch a coffee cup lid recycling program. Put the cleaned coffee cup lid into recycling containers for recycling, and then you can enjoy free upgrades for manual drinks. It fully used wooden stirring rods to reduce waste at the source. It also cooperated with the environmental protection group Green Glass Green Project. Wanchai East Town Building Branch and Central Lyndhurst Terrace Branch were glass bottle collection points to promote the recycling of environmentally friendly materials.



Pacific Coffee continues to participate in WWF's "Earth Hour"



Pacific Coffee and WWF jointly hold "public welfare coffee workshop"



Pacific Coffee holds handmade soap workshop with coffee grounds



Pacific Coffee puts the plastic straws away from the self-service table, advocating to reduce the use of plastic products



"Rice husk brick" of CR Ng Fung Wuchang Factory



CR Ng Fung reuses reclaimed water

### Strengthen "Three Wastes" Management

CR Enterprise adheres to the concept of sustainable development, and pays particular attention to the implementation of waste water, waste gas and solid waste discharge management in production-oriented profit centers, strictly enforces the "three wastes" discharge standards, strengthens source control, increases investment in technology and equipment renovation, and standardizes the construction of related treatment facilities. In 2019, all major pollutant discharge indicators of CR Enterprise showed a downward trend, and the total main water pollutants COD and ammonia nitrogen emissions decreased by 292.5 tons and 34.8 tons, down 18.91% and 20.90% year on year; the total main atmospheric pollutants SO2 and nitrogen oxide emissions decreased by 0.4 tons and 33.8 tons, down 3.97% and 13.91% year on year; the total carbon dioxide emissions decreased by 140,800 tons, down 10.45% year on year.

#### • CR Ng Fung

Shenzhen Longgang Company invested RMB 3.95 million to build a new environmental deodorization facility, used biological deodorant to spray the pig unloading square, collected and treated the odor of swineeries of live pigs to be slaughtered, effectively reducing the emission of odor in all links.

#### • China Resources Snow Breweries

Eliminated factories with low production capacity and high energy consumption, and implemented boiler combustion transformation. As of the end of 2019, coal consumption had decreased by 72.7% year on year, sulfur dioxide emissions had decreased by 9.7% year on year, and nitrogen oxide emissions had decreased by 17.5% year on year. The total chemical oxygen demand emissions had decreased by 11.5% year on year, and ammonia nitrogen emissions had decreased by 5.4% year on year.

#### • CR C'estbon

Reformed boiler combustion equipment, recycled and used filtered concentrated water, and prohibited mixed use of waste, etc. in the production process, actively implementing measures to reduce "three wastes".

#### • Sichuan Lihong

Engaged professional organizations to strengthen the management of hazardous waste and reduce the impact of hazardous waste on the environment. On November 11, 2019, the third-party hazardous waste safety disposal agency safely transferred waste engine oil of 0.04T and waste contaminant of 0.2T of Sichuan Lihong.

#### • International Distribution

Fruit Division established a management account for the use of pesticides and other hazardous chemicals, standardized the use of reasonable pesticides and other hazardous chemicals, and recycled the waste packaging materials in a unified manner, and handled them in a harmless manner by specialized agencies.

### Build Green Factories

CR Enterprise encourages and supports various profit centers to carry out green factory creation activities. It requires project sites to avoid environmentally fragile areas and ecological conservation areas as much as possible, and fully considers the impact of "three wastes" emissions on the surrounding environment and organisms during operations, carries out green development with low consumption and low emissions, realizes harmless raw materials, clean production, low-carbon energy, waste resources, and green products, and promotes the coordinated development of economy and environment.



## CASE "Green Factory" Project of China Resources Snow Breweries

Zhengzhou Factory became the first "green factory" project pilot base of China Resources Snow Breweries in 2019. It has implemented the green development concept and adhered to "high goals, high standards, and high levels". In accordance with the EHS concept of "source control", it has ensured that all emissions meet national standards, meet the requirements of clean production and sustainable development, and constantly improved green competitiveness. The use of natural gas boilers has greatly reduced exhaust emissions. The treated production water is clear, and can be directly used to grow fish and flowers, showing the environmental protection effect. The recovery and utilization rate of carbon dioxide and biogas produced in the production process has been more than 90%, and the energy conservation and emission reduction rate has been in the forefront of the industry. It has successively won the "Six Star Benchmark Factory", the highest honor for excellent operation of the China Resources, and the Gold Award of the "Superior Environmental Management Award" of the Hong Kong Green Enterprise Award.



Greening environment China Resources Snow Breweries Zhengzhou Factory



China Resources Snow Breweries Zhengzhou Factory wins the "Hong Kong Green Enterprise Award" by the Hong Kong Green Council

Scan the QR Code and Read



Let the "Snow Baby" Show You How China Resources Snow Breweries Handles Rubbish

## Green Operation to Advocate Low-Carbon Life

### Promote Green Office

CR Enterprise has implemented the concept of green and low-carbon, followed the three principles of "reduction of use, waste utilization, and recycling", and encouraged employees to start with small things around them, implemented double-sided printing, paperless office, and contributed to zero deforestation for the forest; encouraged employees to save water and electricity, and supported green development with practical actions. In 2019, the Company used 75,180 KWH of office power consumption, 235 tons of office water, 120,802 pieces of office paper, and held 89 video conferences.

**CR Ng Fung** Encouraged green travel of employees, advocated paperless office, printer double-sided printing, reduced paper and ink consumption; used telephone conference to reduce resource consumption for non-important meetings; arranged a special person to be responsible for checking and prompting to turn off electrical appliances, and focused on controlling energy consumption in the office.

**China Resources Snow Breweries** Advocated paperless office and adopted OA approval for all kinds of reports, documents, etc; promoted centralized office and shared office equipment and facilities; recycled office paper for secondary use; strictly controlled the energy consumption of air conditioning, lighting, etc.; put green plants in the office to improve the office environment.

**CR C'estbon** Encouraged employees to save water and electricity; promoted the sharing of office resources while reducing paper waste through the use of office automation systems, video conferencing systems and electronic signing systems.

**China Resources Logistics** Replaced the illuminating lamps and advertising signs in public areas of shopping malls and buildings with LED lights to reduce power consumption; installed energy-saving air-conditioning equipment, adjusted the outlet water temperature of the central chilled water system, regularly checked the air conditioner and cleaned the dust screen to improve the efficiency of the equipment.

**Sichuan Lihong** Required all office personnel to turn off the lights when leaving; set the computer to sleep protection state; the temperature of the air conditioner shall be not higher than 20°C in winter and not lower than 26°C in summer. It also put up water-saving reminder signs at each hand-washing place, and used electric induction hand-washing in the production area.

### Cultivate an Environmental Culture

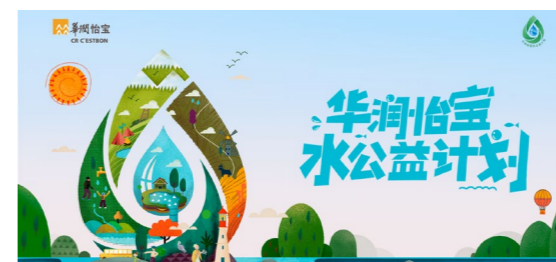
CR Enterprise has strengthened energy conservation and emission reduction and environmental protection training and propaganda work. Through the development of special training, energy-saving publicity week, low-carbon day activities and other forms of rich and informative activities, it asks employees to actively participate in energy conservation and low carbon action, improves employees' awareness of energy conservation, low carbon and environmental protection, and strives to spread the concept of environmental protection to more people.

**CR Ng Fung** Organized some employees of affiliated enterprises to carry out energy conservation and emission reduction laws and regulations training, trained operating personnel of key posts such as wastewater treatment plant on the principle of wastewater biological treatment method, and carried out environmental factor identification and evaluation training for relevant personnel.

**CR C'estbon** Developed Energy Conservation Publicity Week and Low Carbon Day Action Plan of CR C'estbon in 2019 to strengthen environmental protection cultural publicity guidance and implementation. CR C'estbon Jiangmen Factory allowed consumers, employees' family members and others to fully understand the Company's green development concept through the public open day.

**China Resources Logistics** Participated in the 2019 Hong Kong Green Day of the Hong Kong Green Council. The Hong Kong Green Council specially awarded the "Green Shopping Center Certificate" in recognition of the environmental protection contribution of China Resources Logistics Shopping Center.

**Sichuan Lihong** Carried out theme publicity activities. During the energy conservation publicity week, it used the Company'S office building LED display to scroll the energy conservation publicity week theme "green development, energy conservation first" and the national low-carbon day theme "low-carbon action, defend the blue sky".



CR C'estbon launches National Public Welfare Speech Conference— "Water" Public Welfare Speech



Pacific Coffee and Women's Federation hold the "Earth Day Coffee Workshop" for the launch of the "Water Forever" project water bottles



China Resources Logistics carries out energy conservation publicity



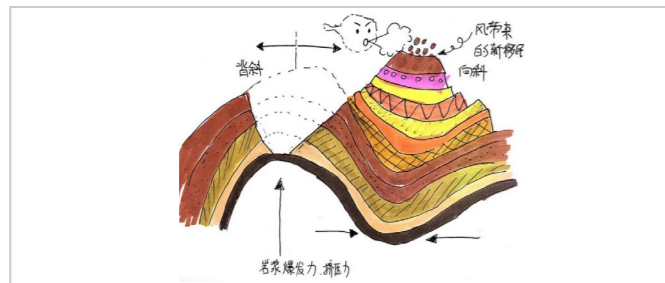
"Murcott tree bears fruit!" An agronomist looked at the yellow orange and couldn't help shouting. When looking at the fruit of murcott tree after four years of attentive care, even though the work in the past was so hard, we still think it's worth it.

Behind this agronomist was the entire agronomist team of Dingnan Base of CR Enterprise Fruit Division. They went to Ganzhou, Jiangxi alone to initiate a vigorous mountain "trim" movement. Through four years of silent effort and four years of quiet waiting, they turned barren mountain into fruit forests, writing a touching story of responsibility with ordinary and great actions.

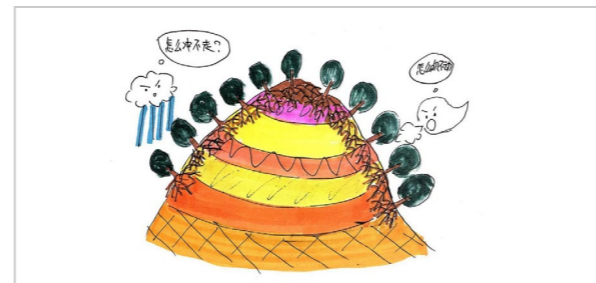
And the beginning of the story started a long time ago:

### Crustal Movement

There used to be a mountain, affected by the crustal movement, forming an anticlinal and syncline primitive landform on the surface; affected by the exogene processes including weathering and accumulation effects, the primitive anticlinal landforms formed valleys, and the primitive syncline landforms formed mountains; the rock on the surface of the mountains was broken and weathered into soil, and gathered water, mineral elements, microorganisms and organic matter, which was very suitable for the growth of "plants". Plants dug their roots deep into the soil, and the roots were connected to form a huge net to hold the soil firmly.



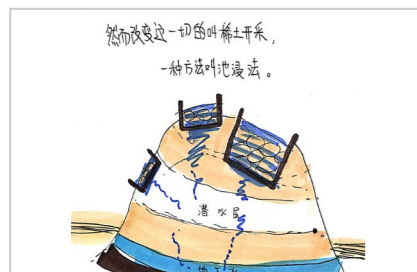
Valleys and mountains formed by exogene processes including weathering and accumulation effects



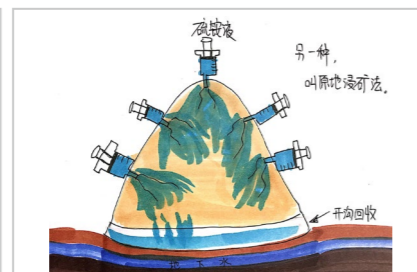
"Plants" in the mountains

### Rare Earth Mining

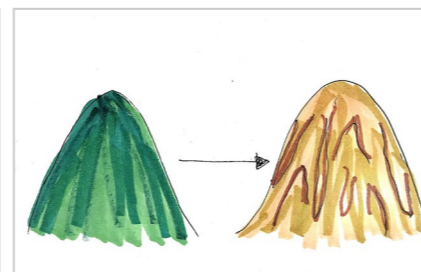
After many years, some people found that there were rare earths which were really scarce and uncommon. In order to obtain rare earths, they invented the tank leaching and the in-situ leach mining. The tank leaching is to throw the excavated soil and rocks into the dug tank, and soak and extract rare elements with sulfuric acid, oxalic acid and other solutions; the in-situ leach mining is to punch holes in the top of the mountain and pour ammonium sulphate solution or oxalic acid liquid, and ditch the bottom of the mountain to recover the liquid to obtain microelements. The tank leaching can heavily damage the mountain, and it is very prone to debris flow, and it will also cause pollution to the diving layer in the soil layer and even the groundwater; although the in-situ leach mining can lightly damage the mountain and groundwater, it will burn the roots of the plants, kill the microorganisms in the soil, and destroy the organic matter, which is a disaster for the plants.



Tank leaching



In-situ leach mining



"Green mountain" → "Barren mountain"

### Mountain "Trim" Movement

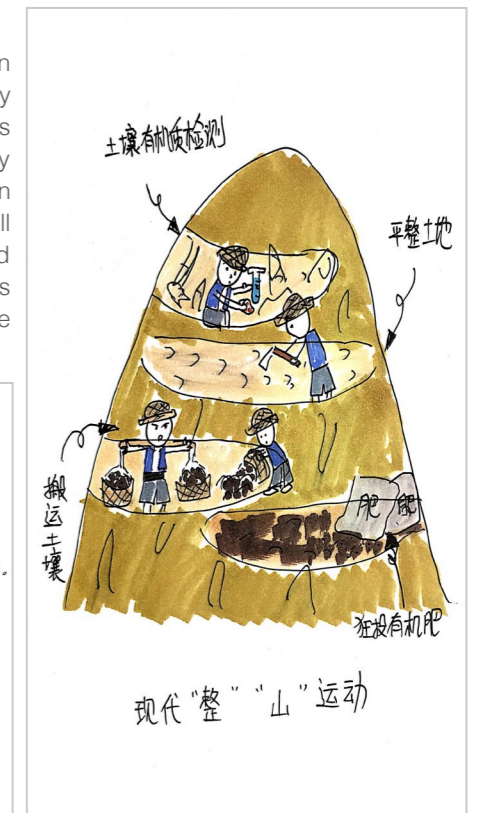
In 2014, the agronomist team of CR Enterprise Fruit Division came to this barren mountain and made up its mind to carry out barren mountain management. In 2015, the "mountain" was officially named the Dingnan Base of Ganzhou. After nearly a year of "mountain" trim campaign, there was no pollution residue in the soil. In 2016, the agronomists planted 40cm tall murcott orange seedlings on this land. After three years of hard work, in 2019, murcott orange seedlings grew into fruit trees with the height of 150-200 cm, and bore fruit for the first time and obtained green food certification.



"Height" record from 2016 to 2019



Murcott orange tree bore fruit for the first time



The agronomists of CR Enterprise Fruit Division participate in the mountain "trim" movement

Thanks to those agronomists who are still guarding the Dingnan Base. They have stayed on such a remote mountain with difficult conditions for four years, and have turned the bare mountain into a green mountain. As the financial writer Wu Xiaobo said, "The age only tempers us, tempers every ordinary person who tries to change his own destiny, and these ordinary people are destined to be great."



Scan the code to watch the full comic

### We Are Working Hard

CR Enterprise will continue to pay attention to the new direction of environmental protection, insist on advancing with the times, improve the green management system, promote green production, increase investment in environmental protection, advocate the implementation of low-carbon and energy conservation from production to life, and work together to protect the environment.





## Sharing • Concern Society and Promote Harmony

CR Enterprise adheres to the corporate mission of "creating a better life together", and continues to create and share value and fulfill social responsibilities. It has actively responded to major national strategies such as targeted poverty alleviation, the Belt and Road Initiative, and the construction of Xiongan New Area, and promoted coordinated regional development. It is enthusiastic about public welfare and charity, and continues to help the disadvantaged groups. It also helps cultural and sports undertakings and contributes to the better society.

### SDGs and CR Enterprise



### Our Achievements

Performance Index	Unit	2019
Total tax payment	HK\$ 100 million	74.62
Expenditure on charitable donations	HK\$ 10 thousand	400

## Respond to Policies and Serve Regional Development

CR Enterprise has always kept in mind the responsibilities of central enterprises, fully responded to national policies and calls, gave full play to its own business and resource advantages, adhered to the principles of mutual consultation, joint construction and sharing, and carefully laid out the "Belt and Road" business map; continued to participate in national strategic planning such as the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the Xiongan New Area, actively planned and deployed, and gave full play to the role of CR Enterprise in promoting regional economic and social development; helped to win the tough battle against poverty through industry assistance, employment assistance, poverty alleviation donations and so forth.

### "Belt and Road" Practice

International Distribution

Actively responded to China's "Belt and Road" Initiative, constantly discovered good products of countries along the "Belt and Road" and countries with good neighborliness and friendship with China, created international product channels, connected Ireland, Spain, Italy, Malaysia, Denmark and other countries, brought Avonmore milk of Ireland, OLIVEIRA of Spain, Reggia spaghetti sauce of Italy, Dinghao Musang King Durian of Malaysia, Castus fruit strips of Denmark and other products into the domestic market.

### Construction of Xiongan New Area

CR C'estbon

In March 2019, CR C'estbon Shanxi-Hebei Region was formally established to coordinate the management of business in Hebei Province, Shanxi Province and western Inner Mongolia. It set up an office in the north of Baoding, actively deployed the development direction, promoted the employment of nearly 500 people in Xiongan New Area, and promoted regional economic development.

### Targeted Poverty Alleviation Practice

CR Ng Fung

Developed the Hope Town featured aquaculture and planting industries, providing 5,735 jobs and technical training to improve the technical level of farmers and increase their income. In 2019, the total amount of poverty alleviation funds was RMB 45 million, benefiting 8,125 poor people.

China Resources Snow Breweries

Provided assistance and donations to Guizhou Province, Shandong Province, Tibet Autonomous Region, etc.; the Gansu-Qinghai-Tibet Region Company donated RMB 200,000 to Haiyuan China Resources Hope Town to build the "Snow Children's Dream Square". In 2019, it accumulatively participated in 20 designated poverty alleviation projects, with an investment amount of RMB 1.28 million.

CR C'estbon

The Party branch of the Ningxiang Factory assisted two poor households, sent living materials and consolation money to the poor households, and provided employment opportunities for their family members.

Sichuan Lihong

Established 40 million m<sup>2</sup> green food pepper base in more than 20 towns and villages around Hanyuan County, helped Min'an Village in Xixi Township, Tiangang Village and Maosheng Village in Yidong Township to get rid of poverty.



## Make Earnest Efforts to Promote Public Welfare and Build Harmonious Communities

CR Enterprise has encouraged and advocated employees to carry out volunteer service activities, set up corporate volunteer teams, and established "Gengxin Club", adhered to the purpose of "serving society and spreading civilization", devoted to social welfare activities, and given back to society with "sincerity" and "concentrated attention"; united each profit center, condensed greater social forces, conveyed the charitable feelings of CR Enterprise, and worked with various stakeholders to create a better life; united each profit center to implement a localized procurement policy, while reducing transportation costs, driving more locals to achieve entrepreneurial employment. In 2019, the total charitable donations of CR Enterprise Charity were HK\$ 4 million.

### • CR Ng Fung

Zhejiang Ng Fung Cold Food responded to the call of "carry out visits, serve attentively, work together to eliminate the weak economic villages", helped the development of Xinhua Village in Linqi Town, Chun'an County, developed local suppliers and helped villagers to solve the difficulties in selling agricultural products to promote the economic development of local rural areas.

### • China Resources Snow Breweries

Continued to contribute to social charity and public welfare affairs, actively paid attention to communities in disaster relief and poverty alleviation, education promotion and environmental protection, and encouraged various internal units to carry out various activities to help the communities improve together.

### • CR C'estbon

Built a strategic public welfare platform, continued to deepen the brand public welfare project-"Hundreds of Libraries Project", actively participated in earthquake relief, special group care, poverty alleviation and other social public welfare activities, actively organized voluntary activities, launched 24 voluntary activities, with a total of 351 people participating in the volunteer service to promote positive energy with practical actions.

## CASE Pacific Coffee Continued to Develop Educational Charity

In 2019, Pacific Coffee invited all primary and secondary school students in Hong Kong to participate in the "Painted Cup Collection" design competition, to raise funds for the charity "President Chen's Free Tutoring World", and held an awards ceremony during the Hong Kong Book Fair to actively practice "education equality" spirit. In July, Pacific Coffee donated \$1 to charity for every standard or large cup of hot espresso sold to help more children get educational support. In August, Pacific Coffee set up donation boxes at all stores, and Pacific Coffee stores set up donation boxes for different charities. All donations will be transferred to the charities to support related charity work.



"Painted Cup Collection" design competition



Volunteer Activities of "Gengxin Club"



CR Enterprise actively participates in the volunteer service of Shenzhen Nanshan Half Marathon



China Resources Logistics participates in the Community Chest of Hong Kong 2019 Million People Walking Event



Nanning Ng Fung carries out volunteer service for the elderly



CR C'estbon donates C'estbon water to the disaster area



## Cultural and Sports Development, Leading a Healthy Life

CR Enterprise follows people's pursuit of a better life, gives long-term support and make efforts to promote the development of social cultural and sports undertakings, improves the quality of public cultural life, promotes the nationalization of cultural and sports activities, and constantly enriches people's spiritual and cultural needs, and helps build a cultural and sports power.

### • CR C'estbon

In 2019, it sponsored 204 running events throughout the year, including 136 marathon events, covering 118 cities and more than 1.13 million people.



CR C'estbon supports Gobi Challenge



CR C'estbon supports marathon

Scan the QR Code and Read



The Glorious Dreams of Grassroots Runners - the Story of the C'estbon Dream Team

## CASE CR C'estbon Sponsored the 7th CISM Military World Games

The 7th CISM Military World Games was held in Wuhan in 2019. It has been the first time for China to host a comprehensive international military sports event and the largest international sports event since the Beijing Olympic Games. As the sponsor of this event, CR C'estbon fully responded to and cooperated with the Executive Committee of the CISM Military World Games and met their demands, timely guaranteed the drinking water needs of the Games, provided energy supplies for the soldiers participated in the games, and was highly recognized and praised by the Executive Committee and units at all levels.



#世界阅读日#想象一下都觉得很美好：手捧一杯香醇，咖啡的香气陪伴阅读的好时光。沉浸在书中或欣然而笑，或掩卷轻泣，或当头棒喝，或醍醐灌顶。亚马逊图书携手@太平洋咖啡 推荐给你50本必读好书，书单点这 [网页链接](#) 让咖啡“阅”动你心。现在可扫码领取太平洋咖啡为你提供的读书日专属优惠，可在23日世界读书日当天在太平洋咖啡指定门店内使用，更多兑换详情，请关注券内说明。数量有限，快快扫码领取吧！



During Reading Day in 2019, Amazon and Pacific Coffee jointly produced 50 recommended reading lists for cafes, and the total WeChat readings of both parties exceeded 100,000





Liao Yiyang and her mother

This chatty little girl is Liao Yiyang, a student of Grade 4 of Guangchang No. 2 Primary School in Jiangxi. She is a left-behind child who has lived with her grandparents since childhood. Her father and mother work away from home all year round. They can only get together in winter and summer vacations. In addition to grandparents, she spends most of her time with books. Yiyang's mother said, "As a child left behind, she lacks the companion of her father and I. We know that she particularly likes reading, so we have bought many books online to accompany her. She is very outgoing, but she will cry for several days when we leave."

A book is a world and reading will bring solace to children's hearts. Guangchang No. 2 Primary School, where Liao Yiyang studies, has built a scholarly school to allow students to read books at any time, making reading a way of life that accompanies the growth of students. Through the "Hundreds of Libraries Project", CR C'estbon has brought all-round improvement to the school in terms of "teaching hardware", "cultural spirit" and "reading philosophy". Liao Yiyang said, "My mother has bought me a lot of books, and there are many books in the school to read. I like reading extracurricular books very much. I want to be a painter when I grow up."

"A book is a world. Reading will bring solace to children's hearts. Books play a very important role in educating people. Children also need to have poems and dreams. The original intention of scholarly school is to allow students to read books at any time, to make reading a way of life that accompanies the growth of students. We appreciate and thank China Resources C'estbon for its support. We have not only got the teaching equipment, but also the cultural spirit passed by the China Resources Enterprise to us and the reading concept of companionship."

--Xie Ying'er, president of Guangchang No. 2 Primary School of Jiangxi

Liao Yiyang's story makes us witness the companionship and growth of children brought by "Happy Reading". On September 6, 2019, love return visit of CR C'estbon "Hundreds of Libraries Project" started again, and together with the government, the media and social volunteers from all walks of life, CR C'estbon came to Guangchang No. 2 Primary School in Jiangxi and Center Kindergarten of Chishui Town Guangchang, and held "Into China Resources, Feel the Good Life—2019 China Resources C'estbon 'Public Open Day' Guangchang Series of Events". At the same time, Children's Dream Theme Museum of the kindergarten and the book corner of No. 2 Primary School donated by CR C'estbon in the "Hundreds of Libraries Project" were officially opened. The new library and books will accompany the children here to grow up happily.

As of the end of 2019, CR C'estbon "Hundreds of Libraries Project" had lasted for 13 years, and a total of 221 libraries had been donated nationwide. "Go ahead with pure heart." In the future, CR C'estbon will continue to have a pure original heart, keep pace, and connect more social charity forces to send books to the children, accompany them to grow, and let "Happy Reading" witness the beautiful China.



The 221st Rural Public Welfare Library of CR C'estbon "Hundreds of Libraries Project" is inaugurated at Yinan Gaoli Central Primary School in Shandong



## We Are Working Hard

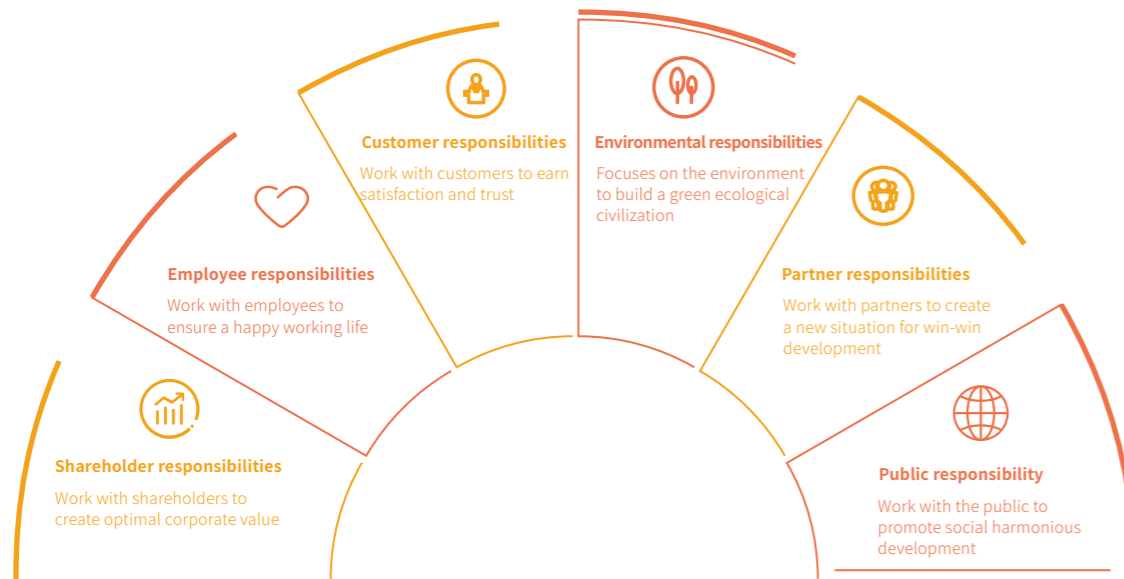
CR Enterprise will continue to leverage its own business advantages, adhere to the "Belt and Road" cooperation, lay out its business in the Xiongan New Area, support the Hope Town project, increase targeted poverty alleviation efforts, serve the socially disadvantaged groups and cultural and sports undertakings, and help build a harmonious society.



# Improve Responsibility Management

## Responsibility Strategy

CR Enterprise adheres to the corporate mission of "leading business progress and creating a better life together with consumers, shareholders, employees, and business partners", integrates corporate social responsibilities into corporate business strategies, and adheres to the values of "honest and trustworthy, performance-oriented, people-oriented, innovative development", while pursuing economic benefits, as a whole, taking into account stakeholders such as shareholders, employees, customers, environment, partners and the public. It strives to create the comprehensive value of the economy, society and environment, and strives to achieve its corporate vision of "becoming a comprehensive consumer goods and retail services company trusted and loved by the masses".



Social Responsibility Model of China Resources Enterprise

## Responsibility Organization

CR Enterprise has implemented the China Resources Group Social Responsibility Management Measures, actively promoted social responsibility work, formulated and issued the China Resources Enterprise Social Responsibility Work Management Measures based on the Company's actual operation, and continued to improve the social responsibility management system. To promote the systematic and standardized development of social responsibility management, the China Resources Enterprise Social Responsibility Steering Committee has been established. Jian Yi, secretary of the China Resources Enterprise Party Committee and CEO, assumes the post of director mainly responsible for strategy formulation, decision-making of important issues, and setting forward-looking goals to provide direction guarantee for corporate social responsibility management. The Company's Affairs Division is the responsibility division of the social responsibility management. It is responsible for leading the organization to establish and improve relevant rules and regulations and management mechanisms, and is responsible for the overall planning, coordination, and promotion of the preparation of social responsibility reports. The remaining functional divisions and profit centers cooperate with this division on the development of social responsibility report preparation, promote the integration of social responsibility into corporate culture and daily operations with strong organizational management, promote the improvement of social responsibility management with report preparation, and continuously strengthen the overall social responsibility work management and practice.

## Organization System of China Resources Enterprise Social Responsibility Management

### Leadership and Responsibilities

The China Resources Enterprise Social Responsibility Steering Committee is the highest decision-making organization of corporate social responsibility. It is mainly responsible for strategy formulation, decision-making on important issues, and setting forward-looking goals to guide the development direction of corporate social responsibility work.

### Executing Agencies and Responsibilities

The Office is the responsible division for the daily management of corporate culture and social responsibilities. It is responsible for leading the organization to establish relevant regulations and management mechanisms, etc., to ensure the smooth progress of the Company's social responsibility work, and organize the preparation of annual social responsibility reports.

### Functional Divisions and Responsibilities

- Strategic Development Division**: Practice the Company's corporate culture in areas such as investment development, strategic planning, strategic cooperation, structural optimization, and innovative development to ensure that it and its partners comply with social responsibility requirements.
- Operation Management Division**: Formulate the publicity strategy of CR Enterprise responsibility brand; empower the Company's interests in terms of excellent operating mechanism and innovative collaborative platform construction; supervise procurement management, engineering management, and digitalization, improve company efficiency, promote resource coordination, and leverage the overall advantages of CR Enterprise.
- Financial Management Center**: Achieve compliance with laws in terms of capital/asset management, protection of shareholders' rights and interests, and tax payment according to law.
- Human Resource Center**: Assist the Office to do a good job in the promotion and implementation of corporate culture and social responsibilities, and make commitments and efforts in employee rights protection, growth and training, employee care, democratic management, occupational health and safety, etc.
- Intelligence and Informatization Division**: Ensure information security and provide necessary information technology support for related work.
- Legal and Company Secretary Division**: Play a good role in supervision and promotion in managing enterprises according to law, compliant operation, and protection of shareholders' rights and interests.
- Audit Division**: Make efforts in compliance audit and risk management to safeguard the Company's interests.
- Supervision Division**: Supervise the establishment of a clean and self-disciplined corporate culture and working atmosphere to protect the healthy development of the Company.



Environmental Health and Safety Division

Promote efficiency monitoring and risk management in fields such as energy conservation and emission reduction, green development, food safety, and production safety, and promote the sound and orderly development of various tasks.

Investor Relations Division

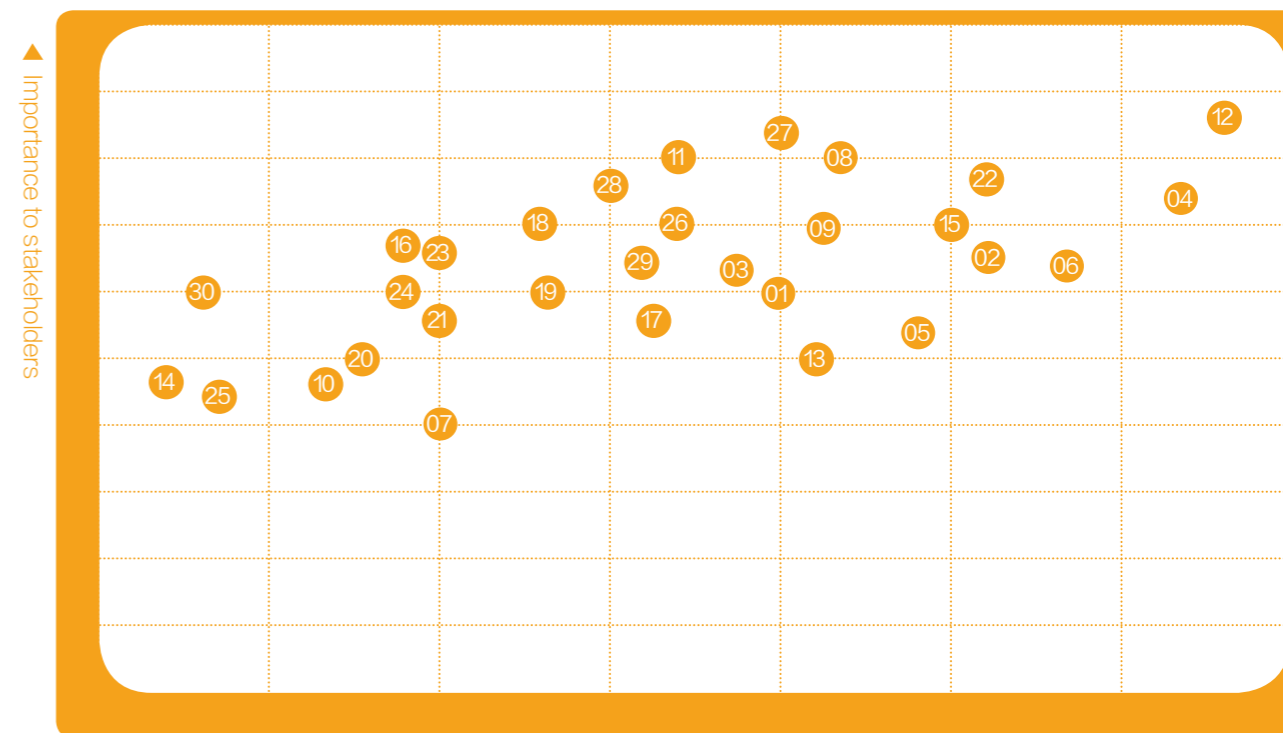
Observe the Company's corporate culture and social responsibility commitments in the protection of shareholders' rights and interests, public opinion information disclosure, etc., and conduct propagandizing and popularizing and promote related work.

Mass Work Division

Conduct group work, promote the construction of integrity, employee care and other work in an orderly manner.

## Issue Analysis

To enhance the pertinence and responsiveness of the report, give full play to the role of social responsibility reports and communication with stakeholders, and accurately respond to the demands and expectations of stakeholders, CR Enterprise has gradually improved the Company's management of substantive issues, and selected issues to form an issue database through the analysis of industry policy trends, analysis of domestic and foreign reporting standards, and benchmarking of industry excellent reports. In 2019, CR Enterprise released the Substantive Issue Analysis Questionnaire of China Resources Enterprise Social Responsibility Report 2019 through online platforms to identify and screen the most substantial core issues important to the Company and stakeholders. A total of 419 questionnaires were collected with 419 valid questionnaires; combining the two dimensions of "importance to the development of the Company" and "importance to the stakeholders", a two-dimensional matrix of substantive issues was drawn to guide the Company to carry out social responsibility work with goals and focus.



Two-Dimensional Matrix of Substantive Issue Analysis of China Resources Enterprise

## Responsibility Culture

CR Enterprise attaches great importance to improving its ability to fulfill its responsibilities. It closely follows the requirements of the China Resources Group Social Responsibility Work Management Measures, and continuously improves its social responsibility indicator system covering the economy, society and environment from the six major aspects concerned including shareholders, customers, employees, partners, environment and the public. At the same time, it enhances employees' sense of responsibility by organizing internal and external social responsibility training, seminars and other activities.

### CASE CR Enterprise Held the Kick-off Meeting of Social Responsibility Report 2019

CR Enterprise issued social responsibility reports for seven consecutive years to promote management and continuously improve its ability to fulfill its responsibilities. To further improve the overall quality of the report and further improve corporate social responsibility management and practice, CR Enterprise held the kick-off meeting of social responsibility report 2019 on March 23, 2020. Affected by COVID-19, relevant personnel attended the meeting via Internet access. Experts of the preparation group of social responsibility report were invited to share the basic knowledge of social responsibility and report. The meeting also reviewed the Social Responsibility Report 2018 of CR Enterprise, and explained in detail the work plan of the Social Responsibility Report 2019, and introduced the standards and requirements for collecting materials for social responsibility reports.

01 Operating performance	16 Strategic cooperation
02 Pay taxes according to law	17 Intellectual property protection
03 Corporate governance	18 Supply chain management
04 Integrity and compliance	19 Fair competition
05 Robust operation	20 Promote industry development
06 Salary and benefits	21 Strengthen the Party building of state-owned enterprises
07 Education and training	22 Fight against the COVID-19
08 Development opportunities	23 Aid poverty alleviation
09 Occupational health and safety	24 Serve the development of the Guangdong-Hong Kong-Macao Greater Bay Area
10 Diversity and inclusion	25 Make earnest efforts to promote charity and public welfare
11 Production guarantee and supply	26 Save resources and energy
12 Product quality and safety	27 Reduce pollution emissions
13 Technological innovation	28 Develop circular economy
14 Product diversification	29 Practice green office
15 Quality service	30 Respond to climate change



# Responsibility Communication

Effective communication with stakeholders is a solid foundation for companies to enhance their social responsibility capabilities. CR Enterprise cherishes every opportunity to communicate with stakeholders, and continuously expands and unblocks communication channels, and promptly discloses work information or activity information related to corporate social responsibility through the corporate website social responsibility column, official WeChat platform and media website; actively promotes each profit center to publish social reports or environmental, social and governance reports, and systematically discloses company responsibility fulfillment management and practice. At the same time, it actively participates in industry forums and conferences, carries out corporate open day activities, etc., increases stakeholder participation, and spreads corporate responsibility concepts and responsibility fulfillment dynamics.

## CASE CR Enterprise Held 2019 Public Open Day

On September 7, 2019, CR Enterprise held the 2019 Public Open Day themed "Into China Resources, Create a Better Life". The profit centers including CR Ng Fung, China Resources Snow Breweries, CR C'estbon, Pacific Coffee, China Resources Logistics, Zhejiang Cold Food, Sichuan Lihong also organized a variety of related activities across China, inviting consumers, neighboring residents, suppliers, local government, media, employee representatives and family members to join in the grand celebration.



Scan the code to learn more

Stakeholder Category	Appeals and Expectations	Communication Mechanisms and Methods	Response Measures
Government	Value preservation and appreciation of state-owned assets Standardized operation according to law Safety and environmental protection Promote local economic development	Work report Information submission Research interview Statistical report	Comply with laws and regulations Compliance operation Pay taxes according to law Strengthen accident emergency management
Shareholder	Return on investment Control risk Understand the Company's operation	Performance report Annual meeting of shareholders One-to-one meeting Luncheon party Teleconference Visit business channels	Maintain the ideal dividend level Maintain a solid financial level Improve risk control management
Employee	Salary and welfare protection Employee growth and development Occupational health and safety Employee care Democratic management	Regular meeting Communication activities and training Daily communication Employee group CR Enterprise WeChat public platform	Reasonable salary and welfare system Conduct employee training Unblock career development channels Implement safe production Special staff care Carry out employee seminars and employee congresses
Client	Food quality and safety Quality product service Customer rights protection Improve product accessibility	CR Enterprise WeChat public platform CR Enterprise official website Communication activities and visits Product promotion activities	Food quality and safety management Product service transformation, innovation and upgrading Broaden business channels Improve customer service system
Partner	Sunshine procurement Strategic cooperation Fair competition	Working meeting Agreement contract Daily communication	Public bidding of procurement information Implement responsible procurement Eliminate commercial bribery Maintain industry order Strengthen strategic cooperation Promote supplier growth
Environment	Protect the environment Energy conservation and emission reduction	Exchange activities Policy promotion	Carry out environmental protection public welfare activities Promote energy conservation and consumption reduction Adhere to green development
Society and the public	Maintain public relations Enthusiastic about charity Participate in targeted poverty alleviation Support community building	Carry out volunteer charity activities Implement targeted poverty alleviation Hold enterprise open days	Build hope towns Develop social welfare brand projects Establish community communication mechanisms



# Prospect

Looking back at the past, we do not change our original intentions and we have confidence in our success.

Looking forward to the future, we are full of pride and take our responsibilities.

Try your best and you will succeed; be brave and you can win. Standing at the key juncture of the new era of reform, CR Enterprise will continue to implement the important instructional spirit of General Secretary Jinping, closely follow the overall situation of national development, and lead business progress together with consumers, shareholders, employees, and business partners to create a better life.

**Responsibility management:** Carry out social responsibility concept of CR Enterprise and continue to strengthen the Company's sense of responsibility for all employees; strengthen the assessment of social responsibility, summarize and promote the outstanding experience and practices of social responsibility; actively carry out and participate in social responsibility research and communication activities, and continuously improve the social responsibility performance capability.

**Shareholder responsibilities:** Increase tracking research on the macroeconomic situation and industry development trends, continuously promote management innovation and business innovation, and create greater economic value for shareholders; continue to improve corporate governance, adhere to stable operation, do a good job in risk prevention and control, and promote the construction of a compliant corporate culture.

**Customer responsibilities:** Increase investment in research and development, enhance corporate brand innovation capabilities, and meet the diverse needs of customers; improve product quality and safety management system to provide customers with safer and more reliable products; improve the customer service system, fully safeguard the rights and interests of consumers, and advocate the healthy and green consumption concept.

**Partner responsibilities:** Consolidate the strategic cooperation relationship with the government, enterprises and universities, build a sharing platform and promote the development of the industry; adhere to honesty and trustworthiness, fair competition, practice sunshine procurement, and create a responsibility supply chain; strengthen media exchanges and expand channels for information disclosure.

**Employee responsibilities:** Actively build a home culture, fully protect the basic rights of employees, and improve the welfare system; continuously improve the talent management system and provide channels and resources for their growth and promotion; improve the occupational health management of employees, carry out multicultural activities, and create a safe, healthy and harmonious working atmosphere.

**Environmental responsibilities:** Resolutely take the road of sustainable development and improve the EHSQ management system; encourage and promote environmental protection technology innovation, and strictly implement energy conservation, emission reduction and consumption reduction; strictly comply with "three wastes" emission standards and strengthen source control; strengthen the environmental impact assessment in project construction and create a new model of green development for enterprises.

**Public responsibilities:** Actively respond to national strategies such as the "Belt and Road" Initiative and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area; cooperate with Hope Town Project Team of China Resources, actively participate in the construction of Hope Town, and help to win the battle against poverty; increase investment in public welfare and charity, and share development achievements with the society.

Looking back at the past, our achievements are encouraging; looking forward to the future, we are pushed ahead by the blueprint. In the new year, CR Enterprise will work with stakeholders, stay true to the mission, continue to move forward, and strive for a new look of a better life.



## Introduction

### ● Report description

This report is the seventh social responsibility report released by China Resources Enterprise, fully disclosing the responsibility fulfillment performance of China Resources Enterprise in economy, society and environment.

### ● Time range

The time span of this report is from January 1, 2019 to December 31, 2019, and some contents are beyond this range.

### ● Organization scope

For convenience of expression, "China Resources (Group) Co., Ltd." in this report is expressed as "China Resources Group" and "China Resources", while "China Resources Enterprise Co., Ltd." is expressed as "China Resources Enterprise" or "CR Enterprise".

### ● Reference standards

*United Nations Sustainable Development Goals (SDGs)*

*International Standards Organization ISO 26000: Guidance on Social Responsibility*

*Global Reporting Initiative Guidelines on Sustainable Development Report (GRI Standards)*

*GB/T 36001-2015 Guidance on Social Responsibility Reporting*

*SASAC of the State Council Guiding Opinions on State-owned Enterprises in Better Performing Social Responsibilities*

*Chinese Academy of Social Sciences Guidance on Chinese Corporate Social Responsibility Report (CASS-CSR4.0)*

*China Resources Group 13th Five-Year Plan Social Responsibility Planning and Social Responsibility Management Measures*

*China Resources Group Social Responsibility Work Management Measures*

### ● Information sources

The data used in this report comes from the official documents and statistical reports of China Resources Enterprise Co., Ltd., and has passed the review of relevant divisions. The financial data in the report is in HKD, unless otherwise specified.

### ● Preparation process



### ● Reliability guarantee

The Company undertakes that there are no false records, misleading statements or major omissions in the content of this report, and it is responsible for the truthfulness, accuracy and completeness of the report.

### ● Access method

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

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## Key Performance

	Index	Unit	2017	2018	2019
Economic responsibility	Total assets	HK\$ 100 million	953.50	946.21	1,018
	Operating income	HK\$ 100 million	625.34	670.76	637.39 <sup>①</sup>
	Recurring earnings before interest and tax <sup>②</sup>	HK\$ 100 million	43.8	44.0	54.0
	Return on equity	%	15	8	7
	Rate of return on total assets	%	7	4	5
	Hedging and proliferating ratios of state-owned assets	%	144.50	101.62	256.10
	Net assets	HK\$ 100 million	291.80	289.81	542.65
	Owners' equity	HK\$ 100 million	291.80	289.81	542.65
	Total investment in fixed assets	HK\$ 100 million	26.00	31.00	17.14
	Asset-liability ratio	%	69.00	69.00	46.69
Customer responsibility	Overall labour productivity	HK\$ 10 thousand / year	83.24	97.74	114.92
	Number of major innovation awards	item	-	2	3
	Scientific research input	HK\$ 100 million	5.08	5.32	6.58

<sup>①</sup> Due to the change of the operation mode of rice trading business and the decline of the exchange rate of RMB against HKD, the operating income in 2019 was lower than that in 2018.

<sup>②</sup> The profit figures exclude one-time asset disposals.



	Index	Unit	2017	2018	2019	
Partner responsibility	Economic contract performance rate	%	100	100	100	
	Signing of strategic cooperation agreement	piece	1	5	6	
	Industry-university-research cooperation expenditure	HK\$ 10 thousand	26	26	15.5	
	Responsible procurement ratio	%	100	100	100 <sup>③</sup>	
	Ratio of suppliers passing certification of quality, environmental and occupational health and safety systems	%	100	100	100	
	Number of potential suppliers rejected due to non-compliance with social responsibility	item	0	0	0	
	Number of penalties for violation of laws and regulations	time	9	6	6	
	Social responsibility	New employment	people	13,052	11,607	9,298
		Total tax payment	HK\$ 100 million	94.23	87.07	74.62
Expenditure on charitable donations		HK\$ 10 thousand	400	300	400	
Employee responsibility	Number of emergency drills	time	2,272	2,970	3,489	
	Number of employees	people	94,353	64,000	52,635	
	Labor contract signing rate	%	100	100	100	
	Social insurance coverage rate	%	99	100	100	
	Physical examination coverage rate	%	-	100	100	
	Employee training coverage rate	%	100	100	100	
	Total employee training input	HK\$ 10 thousand /year	3,362.72	2,691.02	2,189.09	
	Training input per capita	RMB / person	467	431.52	415.56	
	Training time per capita	day	15.21	13.75	19.19	
	Proportion of female managers	%	20	18	19	

③ The data specifically refers to the proportion of sunshine procurement in 2019.

	Index	Unit	2017	2018	2019
Employee responsibility	Average salary level of employees	RMB 10 thousand	8.19	9.58	11.12
	Helping employees in need	HK\$ 10 thousand	11	363	228
	Paid vacation days per capita	day	16	15	15
	Occupational health training	people	16,970	14,596	23,984
	Occupational health inspection	time	0	1,956	9,992
	Employment of people with disabilities	people	0	135	0
	Employee turnover rate	%	-	14.61	17.26
	Employee safety training hours	hour	-	-	951,733
	Number of identified potential safety hazards	item	-	-	53,154
	Number of rectified potential safety hazards	item	-	-	53,067
	Rectification rate of potential safety hazards	%	95.42	82.35	99.84
	Safe production investment	HK\$ 100 million	0.57	1.25	1.23
Environmental responsibility	Annual energy consumption	10,000 tons of standard coal	-	-	30.7
	Annual energy consumption reduction	10,000 tons of standard coal	-	-	3.17
	Total investment in environmental protection management	HK\$ 100 million	1.02	1.43	1.71
	Number of certified safety engineers	people	113	144	131
	Comprehensive energy consumption	10 thousand tons	141.09	136.90	29.00 <sup>④</sup>
	Comprehensive energy consumption per RMB 10 thousand output value	tons of standard coal/ RMB 10 thousand	-	0.06	0.17
	Comprehensive energy consumption per RMB 10 thousand added value	tons of standard coal/ RMB 10 thousand	-	0.14	-0.78
	Clean energy consumption	10,000 tons of standard coal	-	-	10.04
	Proportion of clean energy use	%	-	-	32.67

④ Unit: 10,000 tons of standard coal



# Index

Index	Unit	2017	2018	2019
Annual fresh water consumption	10 thousand tons	-	-	3,436.37
Fresh water consumption per unit of industrial added value	m <sup>3</sup> /RMB	-	-	990.56
Environmental protection charity activities	HK\$10 thousand	-	-	8.65
Wastewater discharge	10 thousand tons	-	-	191.37
Wastewater emission reduction	10 thousand tons	-	-	0.1
SO <sub>2</sub> emissions	ton	222.64	100.16	96.18
COD emissions	ton	1,649.59	1,547.17	1,268.28
CO <sub>2</sub> emissions	ton	1,474,975.07	1,347,596.51	1,206,786.70
NO <sub>x</sub> emissions	ton	409.95	243.21	208.72
Ammonia nitrogen emissions	ton	168.95	166.62	132.20
Office power consumption	kW·h	-	446,509	75,180
Office water consumption	ton	-	-	235
Office paper consumption	piece	-	377,596	120,802

Note: The above performance data is rounded to two decimal places

Environmental responsibility

Heading Level 1	Heading Level 2	Guidance on Chinese Corporate Social Responsibility Report (CASS-CSR4.0)	Report Location
A letter from the CEO of CR Enterprise to stakeholders	—	P2.1-2.2	04
Memorabilia 2019	—	P3.1-3.2,P4.4,A3	06
Into CR Enterprise	About CR Enterprise	P4.2-4.3	08
	Company structure	P4.1,P4.3	09
	Company culture	G1.1-1.2	12
Responsibility focus	The beauty of a healthy life — uniting the majestic power and fighting against the epidemic together	P3.1-3.2	13
	The beauty of a well-off society in all respects — constructing the dream of development and leading the hope in the future	P3.1-3.2,S1.5,S4.5,S4.12-4.13	16
	The beauty of economic prosperity — relying on the Bay Area and serving the people's livelihood	P3.1,P3.2,S1.5	18
Part I: Gather strength and stay true to the mission to achieve a better business	Co-creation • Improve quality, increase efficiency and stabilize development	M1.1-1.4,M1.6-1.8, M3.1,S1.1-1.2	22
	Co-building • Quality service focuses on innovation	M2.1-2.2,M2.4-2.6,M2.8-2.18,M3.5	30
	Win-win • Negotiate for bigger success in the future	M2.7,M3.2-3.4,M3.6-3.8,M3.10-3.12,M3.15	40
Part II: Work together to forge a better life	Intergrowth • Create a better future together	S1.5-1.6,S2.1-2.19,S3.1-3.7	50
	Co-building • Sustainable green development	E1.1-1.3,E1.5-1.8,E2.3-2.4,E2.7,E2.9,E2.12,E2.14,E2.16,E2.18,E2.20,E2.24,E3.1,E3.5-3.6	60
	Sharing • Concern society and promote harmony	S1.3,S1.5,S4.1-4.2,S4.4-4.11	68
Improve responsibility management	Responsibility strategy	G1.2,G2.2	76
	Responsibility organization	G2.3,G4.1,G3.1-3.3	76
	Issue analysis	G2.1	78
	Responsibility culture	G4.2-4.3,G5.1	79
Prospect	Responsibility communication	G6.1-6.2	80
	—	A1	82
Appendix	Introduction	P1.1-1.3	84
	Key performance	A2	85
	Index	A5	89
	Rating report	A4	90
	Feedback	A6	92



# Rating Report



## Rating Report of *China Resources Enterprise Co., Ltd. Social Responsibility Report 2019*

Entrusted by China Resources Enterprise Co., Ltd., "China Expert Committee on CSR Report Rating" selected experts to form a rating team to rate China Resources Enterprise Co., Ltd. Social Responsibility Report 2019 (hereinafter referred to as the Report).

### I. Rating Basis

Chinese Academy of Social Sciences Guidance on Chinese Corporate Social Responsibility Report (CASS-CSR4.0) and "China Expert Committee on CSR Report Rating" Rating Standards for Chinese Corporate Social Responsibility Report (2020).

### ii. Rating Process

1. The rating team reviewed and confirmed the Process Data Confirmation of Corporate Social Responsibility Report and related supporting materials submitted by the Report preparation team;
2. The rating team evaluated the preparation process and content of the Report and prepared a rating report;
3. The vice chairman of China Expert Committee on CSR Report Rating, the leader of the rating team, and the experts of the rating team jointly signed and reviewed the rating report.

### iii. Rating Conclusion

#### Process (★★★★★)

The Company established the Social Responsibility Steering Committee. The secretary of Party Committee and CEO served as the director of the committee and were responsible for the final review of the Report. The Office took the lead in setting up a report preparation working team to coordinate and promote the specific preparation work; positioned the report as an important tool for improving social responsibility information disclosure, promoting stakeholder communication, and strengthening social responsibility management, with clear functional value positioning; Identified substantive issues based on international and domestic social responsibility standards, industry benchmarking analysis, and stakeholder surveys; actively promoted the preparation and release of the Report by subordinate profit centers and deepened the vertical management of social responsibility; it is planned to publish the Report through the official website, and the Report will be presented in the form of electronic version, printed version, Chinese and English versions, showing excellent process performance.

#### Substantiality (★★★★★)

The Report systematically discloses raw material safety and health management, food safety management, food information compliance publicity, food safety accident emergency management, responding to customer complaints, green procurement, employee rights protection, driving rural economic development, saving energy resources, product packaging materials reduction and other key issues in the industry with detailed description, showing excellent substantive performance.

#### Integrity (★★★★★)

The main content of the Report discloses 90.85% of the core indicators of the industry from "Co-creation • Improve quality, increase efficiency and stabilize development", "Co-building • Quality service focuses on innovation", "Win-win • Negotiate for bigger success in the future", "Intergrowth • Create a better future together", "Co-building • Sustainable green development" and "Sharing • Concern society and promote harmony", showing excellent integrity performance.

#### Balance (★★★★)

The Report discloses negative data such as "number of penalties for violation of laws and regulations", "employee turnover rate", "number of identified potential safety hazards", "number of safety accidents", "number of casualties" and "number of major risk events" showing good balance performance.

#### Comparability (★★★★★)

The Report discloses the comparative data of 49 key indicators such as "total assets", "recurring earnings before interest and tax", "scientific research input", "responsible procurement ratio", "total tax payment", "safe production investment" and "comprehensive energy consumption", showing excellent comparability performance.

#### Readability (★★★★★)

The Report takes "Benefit China to Create a Beautiful Life" as the theme, systematically demonstrates the fulfillment concept, practice and effect of enterprise's responsibilities for shareholders, customers, employees, environment, partners and society in two chapters including "Gather strength and stay true to the mission to achieve a better business", and "Work together to forge a better life", with a clear framework and prominent key issues. At the end of each chapter, a "character story" section is set to diversify the characteristics of the practice in the form of stories, which enhances the vividness and interest of the report. It sets up the "Scan the QR code and read" column to extend the content of the report with a two-dimensional code image, which strengthens the communication ability of the report. It sets up the "Tips" column to interpret industry terminology, which enhances the readability of the report, showing excellent readability performance.

#### Innovation (★★★★☆)

The Report starts with three major responsibility themes including "The beauty of a healthy life — uniting the majestic power and fighting against the epidemic together", "The beauty of a well-off society in all respects — constructing the dream of development and leading the hope in the future" and "The beauty of economic prosperity — relying on the Bay Area and serving the people's livelihood", which actively responds to the hot-spot political issues of epidemic prevention and control, poverty alleviation, and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, highlighting the responsibility of enterprises to implement macro policies. The main chapters start with the structure form of "SDGs and CR Enterprise-Our achievements-Responsibility practice-Character story-We are working hard", interlocking and self-contained, which strengthens the communication effect of the report. Stakeholders' testimonies are introduced many times to support the effectiveness of corporate responsibility fulfillment, enhancing the credibility of the report, showing leading innovative performance.

#### Comprehensive rating (★★★★★)

After evaluation by the rating team, the China Resources Enterprise Co., Ltd. Social Responsibility Report 2019 is a five-star report and is an excellent corporate social responsibility report.

## IV. Suggestions for Improvement

Increase detailed disclosure of deficiencies in corporate responsibility fulfillment and improve the balance of the report.

Vice chairman of China Expert Committee on CSR Report Rating

Leader of the Rating Team

Experts of the Rating Team



Scan the code to view the corporate rating file



## Feedback

Dear readers:

Hello! This report is the seventh social responsibility report released by China Resources Enterprise to the public. In order to continuously improve social responsibility fulfillment and management level, and continuously improve social responsibility management and preparation of social responsibility report, we sincerely hope that you can put forward relevant opinions and suggestions on this report, and return it to us via fax (0755-25883982).

### Choice Question

1. What is your overall evaluation of China Resources Enterprise Co., Ltd. Social Responsibility Report 2019?

Very good  Good  General  Bad

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

Very good  Good  General  Bad

3. Do you think this report can respond to and disclose the concerns of stakeholders?

Very good  Good  General  Bad

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

Very good  Good  General  Bad

### Open Question

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

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

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

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**If it is convenient, please let us know about you:**

Name: Occupation:

Unit: Add.:

Tel.: E-mail:

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