



***FORGING
AHEAD
ON A
JOURNEY
NEW***



CHINA RESOURCES (HOLDINGS) CO., LTD.

SUSTAINABILITY REPORT 2021

Forging Ahead on a New Journey

This is our 15th corporate social responsibility (CSR) report, and also our first sustainability report.

This year, we have upgraded our CSR report to a sustainability report to explore ESG localization by incorporating ESG indicators while keeping the disclosure of the previous CSR indicators.

We have disclosed our new achievements in CSR management and practice to show our mission and commitment as a state-owned enterprise.

We are committed to kicking off to a good start in the new journey by further enhancing our capabilities on CSR management, continuing to demonstrate our image as a responsible corporate citizen, urging our business units to create greater value, and facilitating their sustainable development.



Contents

About CRH

- 4 Remarks
- 7 CRH Profile
- 11 A Glimpse at CRH Brands
- 12 2021 Highlights

Appendix

- 148 About the Report
- 149 Key Performance Indicators (KPI) for 2019-2021
- 150 CSR Key Indicators Index
- 153 ESG Key Indicators Index
- 155 Report Rating
- 156 Readers' Feedback



14 **Economic Responsibilities** | Reshape CRH for a Far-reaching Impact

- | | |
|--|--|
| 16 Story1
Here... Where the land ends and the sea begins
— CRH's Three-Year Action for SOE Reform | 21 Improving Corporate Governance |
| | 23 Serving National Strategies |
| | 24 Driving High-quality Development |
| | 26 Strengthening Anti-corruption and Integrity |
| | 28 Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Minority Investors |
| 18 Concept and Vision
Our Performance | |
| 20 Securing a Decisive Victory in the Three-year Action for SOEs Reform | 30 Strengthening Risk Prevention Capabilities |
| | 31 Commitment and Its Performance |



32 **Employee Responsibility** | Putting People First, Working Together to Achieve More

- | | |
|--|---|
| 34 Story2
Sow the Seed of Love to Nourish the Heart
— CRH Runxin Workshop Employee Care Brand Project | 40 Improving the Remuneration and Benefit System |
| | 42 Promoting Democratic Management |
| | 43 Creating Equal Job Opportunities |
| | 44 Attaching Great Importance to the Occupational Health of Employees |
| 36 Concept and Vision
Our Performance | 45 Unblocking Career Development Channels |
| 38 Protecting Employees' Rights and Interests in an All-Round Way | 47 Improving the Employee Training System |
| | 49 Caring for Employees |
| | 51 Commitment and Its Performance |



52 **Customer Responsibility** | Deliver Extraordinary Products with a Caring Heart

- | | |
|---|---|
| 54 Story3
CRH: Your Heart-Warming Life-Long Companion
— CR Land, Long-term Rental Health Project | 64 More Strict Anti-counterfeit Publicity and Potential Risk Warning Fair Trading |
| | 65 Better Privacy Protection |
| | 66 More Specialized Product Knowledge Publicity Better After-sales Service |
| 56 Concept and Vision
Our Performance | 69 Advocating Sustainable Consumption |
| 58 Focusing on the Needs of People's Needs, Providing High-quality Products and Services for the Public | 70 Improving Customer Satisfaction Driven by Innovation, Empowering a Better Life |
| 62 Higher Standard Quality Management System | 75 Commitment and Its Performance |



76 **Environmental Responsibilities** | Care for and Protect the Earth

- | | |
|--|---|
| 78 Story4
Green Development, the Password to Resolve the "Carbon Peaking and Carbon Neutrality" Dilemma
— CR Power's CCUS Demonstration Project | 86 Reducing Emissions of Waste Water, Waste Residue and Waste Gas |
| | 88 Implementing the "Carbon Peaking and Carbon Neutrality" Strategy |
| | 90 Developing Green Buildings |
| 80 Concept and Vision
Our Performance | 91 Protecting Biodiversity |
| 82 Improving the Environmental Management System | 92 Growing the Scale of Environmental Protection Industries Building a Green Supply Chain |
| 84 Developing Clean Energy | 93 Carrying Out Environmental Protection Charity Activities |
| 85 Optimizing Industrial Structure and Capacity Distribution | 94 Promoting Green Office |
| | 95 Commitment and Its Performance |



96 **Partner Responsibility** | Stabilize Supply Chain for a Brighter Future

- | | |
|---|--|
| 98 Story5
From the Northeast China to the World
— CR Capital Empowers Dirui for Future Development | 108 Promoting Responsibility Fulfillment by the Supply Chain |
| | 110 Enhancing Media Relations |
| | 113 Commitment and Its Performance |
| 100 Concept and Vision
Our Performance | |
| 102 Consolidating Strategic Sharing Platforms | |
| 106 Promoting Fair Trade | |



114 **Public Responsibility** | Bringing Positive Changes to the Community

- | | |
|---|---|
| 116 Story6
Efficient Aid, Offering Heart-warming Support for Cities Against the Elements
— CR C'estbon Quick Disaster Relief Welfare Mechanism | 123 Coordinating Public Welfare Resources |
| | 125 Strengthening Community Communication |
| | 131 Improving Safe Production Management |
| | 133 Commitment and Its Performance |
| 118 Concept and Vision
Our Performance | |
| 120 Fulfilling the Mission as a Central Enterprise Based in Hong Kong, Growing with Hong Kong | |



134 **Responsibility Management**

- 135 Responsibility Concept
- 136 Responsibility Strategy
- 137 Responsibility Model
- 138 Establishing Responsibility Organizations
- 140 Developing Responsibility Capacity
- 142 Responsibility Communication
- 144 Responsibility Assessment
- 145 Identifying Responsibility Issues and Responding to the Demands of Stakeholders

Remarks

Wang Xiangming

Chairman of China Resources Group



CRH's CSR commitment stems from our glorious mission and revolutionary history. After many years of development, our CSR work has evolved from publishing CSR reports to incorporating CSR as an important management tool to drive sustainable development of the Group. In the opening year of the 14th Five-Year Plan, it is high time we summarize CRH's CSR work, review past achievements and revisit our original aspiration to bring meaning to our history, determine present targets and search for the right future direction; it is high time we study how we can further improve our capabilities for CSR management and thus promote high-quality development for the Group.

During the "13th Five-Year Plan" period, the Group made remarkable achievements in terms of CSR. **The Group's "mission-guided" model for CSR management has gradually improved.** We have prepared social responsibility reports to "enhance our management and then put actions into practice through management for inclusive development". The report has effectively enhanced our management and information disclosure of responsibilities and further promoted the regular implementation of responsibilities. **The Group's disclosure of responsibility information been continuously strengthened.** The CSR report process has involved the Group at all three levels. The number and quality of ESG reports have increased continuously. The responsibility for information disclosure has become a vital source of information for external organizations and stakeholders to evaluate the overall value of the Group and its business units. Such CSR work, which is structured in an organized manner, has also built the Group's CSR management team. **The China Resources CSR Award has become an important driving force helping fulfill its responsibilities.** Since its establishment in 2018 and its inclusion in performance appraisal, the China Resources CSR Award has effectively publicized our CSR achievements and motivated our business units to engage more actively in CSR practices. Our business units have also carried out numerous brand responsibility projects based across industries. **We have a number of accomplishments in terms of CSR research.** We have conducted a number of research projects on responsibility management and responsibility practice and we have completed the compilation of books such as *CR's Mission-gearred Social Responsibility Management*, *Corporate Social Responsibility Textbook*, *CR's White Book of Rural Revitalization*, *Targeted Poverty Alleviation Model of Central State-owned Enterprises*

(*Series 1*) and *Blue Book of Rural Revitalization 2020*. A number of theoretical research results have also been selected for an authoritative social responsibility "paper" series effectively enhancing the Group's visibility and reputation within the field.

In view of the excellent performance in CSR management and economic, social and environmental information disclosure, the Group was topped the CSR Development Index in 2021 and was among China's top 300 enterprises in the *Corporate Social Responsibility Blue Book*, Chinese Academy of Social Sciences, for the fifth consecutive year. Among 19 key industries evaluated by the CSR Development Index, CR Land maintained the No. 1 position within the real estate sector for the eighth consecutive year. Meanwhile, CR Pharmaceutical was ranked No. 1 in the pharmaceutical and biological manufacturing industry, CR Cement was ranked No. 2 in the building materials industry, CR Bank was ranked No. 3 in the banking industry and CR Power was ranked No. 5 in the power industry. Such outstanding achievements in CSR development have received wide attention and recognition across society.

Although we have achieved a lot from previous CSR efforts, we also note that they represent the past and we cannot stick to old ways and remain stagnant. In the new stage to implement a new development concept and a pattern, our business development and CSR work faces new requirements. All six business segments of the Group should bare all obligations, fulfill and assume the necessary responsibilities. The Group's CSR work still needs to be carried out in a standardized, institutionalized, systematized and normalized manner. Here, I would like to put forward several expectations for the CSR work during the 14th Five-Year Plan period.

First, we should take more social responsibility. I always believe that, in addition to economic and financial indicators, enterprises should pay attention to social benefits and social responsibility. It is the inevitable pursuit of a great enterprise. In the new historical period, we should study Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era in sufficient depth, fully implement the spirit of the 19th CPC National Congress and each plenary session of the 19th CPC Central Committee and integrate the central government's requirements for enterprises reform and development. As a state-owned enterprise, we should strengthen our major business, work on industry on livelihood and improve the quality of development under the concept of "innovative, collaborative, green, open and shared". Our moves should be directed by the goal of "meeting people's needs for a better life, solving imbalance and inadequacy and promoting high-quality development". We should push ahead with carbon peaking and carbon neutrality initiatives in a proactive and orderly manner and promote green and quality development. We should further strengthen our political compliance, enhance our influence in Hong Kong through political engagements and play a role in promoting the prosperity and stability of Hong Kong and implement the "one country, two systems" principle. We should firmly realize the national strategy in rural revitalization through targeted assistance and counterpart support and upgrade CR Hope Towns in all aspects.

Second, we should further consolidate basic management of social responsibility. We have to seize the opportunity of State-owned Assets Supervision and Administration Commission of the State Council (SASAC)'s establishment of the Social Responsibility Unit to promote CSR work in a scientific, standardized and institutionalized way in order to integrate CSR work with the Group's operation and development and improve the Group's CSR management system. We should reflect social responsibility in functional departments and core businesses to maximize the economic,

social and environmental value through responsible production and operation. We should continue to prepare and publish well-written CSR reports to effectively respond to the concerns of investors and other stakeholders. We should also manage CSR brands in an integrated manner, innovate channels for responsible communication and make comprehensive use of communication resources to strengthen our CSR communication to enhance CRH's image as a socially responsible brand. By 2025, we aim to build a number of CSR centers focusing on key responsibility issues and construct a CSR brand tree for the Group.

Third, we should further improve our ESG governance. In terms of economic responsibility, enterprises can be measured on their balance sheets, cash flow statements, income statements and other financial system indicators. Is there an indicator to evaluate enterprises' social responsibility and benefits? We have been exploring the question for many years and have gone through an evolutionary process from CSR to ESG so that the social responsibility endeavors of corporates can be quantified. ESG is a concrete response to sustainable development at the micro level of enterprises and is an overall evaluation of publicly listed companies as well as an important indicator that can help evaluate the sustainable development and long-term investment value of publicly listed companies in terms of environmental, social and governance aspects. Our publicly listed companies should attach great importance to ESG governance, establish and improve the internal ESG system and management framework and strive to enhance ESG information disclosure.

By the end of the 14th Five-Year Plan period, we will strive to gradually improve our CSR management system, develop the "Responsibility+" framework and further consolidate our leading position in terms of CSR among state-owned enterprises.

CRH Profile



Nature of CRH



One of the key state-owned enterprises under the direct supervision of SASAC



An industrial group with diversified business operations closely related to the life of the public



Founded in 1938

Scale and Strength



A total asset of RMB 2,021.11 billion



The 69th ranking in 2021 Fortune Global 500 in 2021



8 Hong Kong listed subsidiaries and 7 mainland listed subsidiaries, among which, CR Land Limited is included in Hang Seng Indexes

Economic Responsibilities

Reshape for Far-reaching Impacts



Achieving a Staged Breakthrough in Organizational Management

The Group has been working on improving the organizational management model of a state-owned capital investment company. Led by the Board of Directors' Office, the organizational management optimization project of the Group consists of three stages, namely organizational design, rights and responsibilities structure, and system and procedures optimization. At present, the first two stages have been completed, and the third stage has kicked start.

On organizational design, the Group has built a three-level management structure, including "the capital-level group headquarters, the asset-level business units and the operation-level production and operation units". This has helped sort out the value objectives and strategic functions on each level, accelerate structure of business and investment platform, and finetuned the functions of the Group's departments.

On rights and responsibilities structure, the Group has formulated the "CRH's Action Plan of Differentiated Management" on wholly-owned enterprises, relatively- controlling mixed-ownership enterprises and invested enterprises. A maturity evaluation model has been developed to comprehensively evaluate the maturity of business units from 5 dimensions with 14 indicators, and based on the evaluation results, to practice differentiated management on areas such as investment management of business units. The Group regularly evaluates the maturity of business units, the implementation of decentralization and its effectiveness, and adjusts delegation authority according to the results.

Establishment of CR Corporate Service Limited for the "Separation of Management and Operation"



To realize the three-year action plan for SOEs reform and build a world-class enterprise, the Group has continued to push forward with the de-institutionalization at headquarters and innovations in management functions and service mechanisms. On 11 June 2021, the Group discussed and reviewed CRH's organizational management optimization plan. By establishing CR Corporate Service Limited, four departmental management companies providing internal shared services in CRH's headquarters were unified for management, thus separating management from operation, which tackled major problems like overlapping functions, unclear division of labor, weak and fragmented efficiency, etc.

Serving National Strategies

The Group has spared no efforts in realizing the Nation's regional development strategies, the "carbon peaking and carbon neutrality" policy and the revitalization of rural areas, so as to get new market momentum from serving national strategies and to fulfill its mission and responsibility as a central enterprise.

Setting up an Organizational System to Serve National Strategies

Led by its chairman, the Group has set up a high-standard leading group of its management team to serve national strategies and synergistic development, coordinating and guiding the synergistic development in each key strategic region of the Group. It has established regional committees in key regions such as Hong Kong, the Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei Area, the Yangtze River Delta, Chengdu-Chongqing Economic Zone. Led by the Group's party committee, the regional committees consist of CRH's region chief representatives and leaders of business unit to promote the implementation of major regional strategies and synergistic projects. The Group has also set up offices of regional committees for national strategy and synergistic development to coordinate the day-to-day work of the secretariats in key regions.

Reshaping Hong Kong Businesses Vigorously

The Group has established a Hong Kong Business Committee to formulate development strategies and to increase investment in the region. Meanwhile, CR Enterprise has successfully acquired a warehouse property located in the northern metropolitan area and introduced a science and technology investment platform in cooperation with a number of Hong Kong universities. CR Property has significantly increased the scale and influence of its property management business in Hong Kong through acquisitions.

Making steady Progress in Internationalization

The Group's existing overseas projects have been operating smoothly and orderly under the pandemic, and Oatly, a project invested by CR Enterprise, has been listed in the USA.

Putting the National "Carbon Peaking and Carbon Neutrality" Policy into Practice

The Group has established a leading group and a team to formulate plans for carbon emission management in response to the "carbon peaking and carbon neutrality" policy. In particular, CR Power has completed the first commodity transaction on 100,000 tons of carbon emission allowance in China carbon market.

Implementing Fully the Nation's Policy on Revitalization of Rural Areas

The Group has been helping Guangchang and Haiyuan Counties to consolidate and expand the results of poverty alleviation, and has signed the Poverty Alleviation Assistance Program to the Central Revolutionary Bases in Jiangxi with Qingliu County. The Program revitalizes the area and promotes the effective connection of rural revitalization. CR Hope Town Project in Yan'an has been completed as scheduled, and Nanjiang Hope Town has been fully launched.



Employee Responsibilities

Putting People First
Working Together to Achieve More



Story 2

Sow the Seed of Love to Nourish the Hearts

— CRH "Runxin Workshop"
Employee Care Brand
Project

Lu Yue

CRH
Human Resources
Department
Professional Director



Since the Covid-19 outbreak in 2020, we have been fully committed to protecting the physical health of our employees while also paying more attention to their mental health.

As a diversified large-scale corporation with over 300,000 employees, CRH must not only focus on benefiting society and people's livelihoods but also pay attention and provide care for its employees as one of its most important social responsibilities in the current context.

Establishing a Professional Employee Care Team

"I really value my job but I am nervous about receiving complaints. That gives me a lot of pressure," a Hong Kong employee called and told the Runxin Pandemic Volunteer Hotline. After receiving two days of counselling over the weekend, the employee felt much relieved and returned to work at the front line. Such cases happen almost daily over the holidays in the past six months. The emotional and psychological problems of employees have become more obvious. The demand for professional psychological companionship has surged. Lu Yue, the person in charge of employee care at CRH, is taking more responsibilities. "If you continue to passively wait for problems to arise and then solve them, you will sooner or later be overwhelmed as problems will never stop emerging," she realized. "Only by establishing a professional and systematic employee care team which understands the demands of front-line pandemic workers can we cope with all kinds of uncertainties in the future."

In early 2021, an employee care team composed of members from 6 business formats, 19 business units and 66 regions under CRH received professional training marking the establishment of the first batch of 108 "Runxin Ambassadors". In addition to participating in annual hierarchical and classified expertise and skills training, they also needed to improve their capabilities to handle feedback and identify and cope with problems. In the middle of 2021, the "Runxin Long March", a large-scale employee care activity which enabled the team members to "receive training in field practice", was initiated as the CPC celebrated its 100th anniversary. In three months, the team, traveled through 8 provinces and 10 cities following the footsteps of the Central Red Army where employees and business are located and investigated the mental demands of front-line employees forming over 100 management optimization suggestions.

"Runxin Ambassadors" have different roles to play in work. In psychological interviews, they provide a unique internal third-party perspective of "sharing the same CRH values despite the differences in industries, businesses and roles" which helps better focus on solving practical problems. "I will try to guide them to think what has supported them to stay in CRH." As a "Runxin Ambassador", Liu Wei, head of the human resources department from CR Vanguard Ole, often conducts interviews from the perspective of human resources to encourage employees to think more positively.



We have opened a psychological counseling hotline, offered courses on physical and mental health online and offline and carried out crisis intervention to help people think more positively and reduce occurrence of crises.

In 2021, our professional employee care team "Runxin Ambassadors" has grown extensively and initiated a three-month "Runxin Long March".



With "Five One" employee care (initiative), we brought warmth to every one of our employees in 2022.

Solving Practical Problems at their Posts

After finishing his study and practice, Liu Wei returned to CR Vanguard and began to re-examine the problems encountered in his work. In the CR Vanguard Heart-Warming Campaign, he found that young employees were troubled by the problem of rent. Compared with the "old-fashioned" way of providing employee care, it is only by truly solving the problem of rent can the focus be returned to the employees themselves. With a new perspective, Liu Wei reported his opinion to the headquarters, and, a solution was reached, after several rounds of communication which was to cooperate with long-term rental organizations. "Only by allowing the employees to rent a house at a lower price can we truly send warmth to their hearts."

Similar incidents were not uncommon. With normalized pandemic control, complexities in the external environment, the new positioning of the Group as a "state-owned capital investment company", our businesses are like ships sailing in a vast sea with black clouds and stormy waves looming ahead. In the face of profound changes unseen in a century, it is imminent

for businesses to enhance their organizational resilience. Employees are the "smallest unit" in the organizational reform. Once they have negative feelings, inner resistance will make it difficult for a business to conduct reforms. At a time like this, a "Runxin Ambassador" who has completed their study and practice can spread like a spark. After returning to their post, the Runxin Ambassadors have set up "Runxin Workshop Employee Care Service Stations" according to the characteristics of their own departments. Through psychological evaluation and analysis, workplace health training and employee counseling, such stations will help employees prevent and solve various psychological troubles or behavioral problems supporting the sustainable development of businesses.

Multiple Dimensions to Deal with Collective Problems

During the Covid-19 outbreak in 2020, the medical staff of CRH went to the front line of the fight against the virus. They returned as heroes but with varying degrees of psychological problems. "Runxifang" organized the "Angel's Journey Towards Health" care campaign for pandemic heroes to provide them

with psychological intervention and counseling and offer them trauma healing courses. In May 2021, a team of experts was led to local hospitals in Wuhan for return visits carrying out continuous medical care activities with the theme of "Enduring Memories". Targeted psychological consultation, trauma intervention and stress relief activities were also conducted. "Maybe we won't be able to cheer them up quickly but we can at least try to make them less painful," stated Liu Wei. Runxin Workshop cares for employees wholeheartedly. As pandemic controls began to be normalized, the spotlight moved away from frontline pandemic workers. However, CRH continued to pay attention to their needs in order to fulfill the vow to protect people's life and health against all odds.

In recent years, Runxin Workshop has carried out psychological counseling for over 30,000 internal employees. The online service platform has received more than 600,000 annual visits. The online and offline mental health expertise and empowerment training courses have been taken for a total of 1 million sessions. The 45 "Runxin Workshop Employee Care Service Stations" in 25 cities across the country have become important positions

for grassroots employee care. The project has successively won the annual "China Health Enterprise 2019" award issued by the International Health Risk Management Association and the 2020 "CRH Social Responsibility Award - Silver".

All the accolades have made Liu Wei enthusiastic. "As more and more aspiring and loving colleagues voluntarily join our employee care team, we should prepare more special campaigns and psychological self-help tools for different groups," he said. "We should benefit more executives and employees, gradually form an innovative employee care service model for diversified business groups and make more efforts for the stable development of the organization."

The employee care project is moving forward in a down-to-earth manner. There is still a long way to go but more people have joined in on the journey.

Protecting Employees' Rights and Interests in an All-Round Way

CRH supports the Universal Declaration of Human Rights and the International Human Rights Convention, strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China among other laws and regulations, and resolutely opposes forced labor and child labor. We have established a fair, reasonable, performance-oriented salary and welfare system, providing employees with social security and benefits such as the five social insurances and one housing fund and corporate annuities. We have built a variety of democratic communication channels, attached importance to employee privacy protection, and protected employee rights and interests in an all-round way. In 2021, no major labor disputes, child labor, or complaints about human rights issues were noted in CRH.

Promoting Equal Employment

CRH adheres to an employment policy which does not discriminate against gender, ethnicity, religion, or age. We promise to eliminate all forms of employment discrimination. We clearly uphold the principle of fairness and justice to ensure a compliant and standardized recruitment process using consistent selection criteria.

Prioritizing the Protection of Rights and Interests of Female Employees

The Group conscientiously implements the Law on the Protection of Women's Rights and Interests among other laws and regulations and strictly implements the provisions on maternity and lactation leave for female employees. We work to ensure that female employees have equal salary and benefits and career development opportunities and provide care for female employees by sympathizing with their actual needs. We strictly abide by relevant national policies and regulations for protecting female employees in the "five phases".



Adhering to the Management Policy of "Jobs Matched with Responsibilities"

Based on the company's business and human resource planning, current staffing, and guided by its business needs, CRH has established a flexible selection mechanism to ensure that the number, quality, and structure of the company's talent team meet its strategic and business requirements.

Stabilizing Employment and Creating Jobs

CRH adheres to its social responsibility of stabilizing employment and benefiting people's livelihood, providing a large number of job opportunities for veterans and migrant workers who have difficulty finding a job. We are also cooperating with the State Council to stabilize employment and create jobs. Meanwhile, we provide auxiliary jobs in forms of labor dispatch, outsourcing, and labor outsourcing to provide as many job openings for disadvantaged groups as possible.



CR Power Providing Jobs for the Disadvantaged

In order to better serve the strategy of reforming and strengthening the army, CR Power has reserved jobs for veterans over the years. In 2021, it provided jobs for 15 persons. The employers actively participated in the local soldier placement meetings and undertook coordination work according to the requirements of the local retired soldier placement units, in order to do a good job in receiving retired soldiers. At present, 8 retired soldiers have been employed.

Most of the projects in the power industry are located in mountainous and poor areas. Adhering to the concept of social responsibility of stabilizing employment and benefiting people's livelihood, our wind power projects and wind farms provide a large number of auxiliary jobs for local poor migrant workers, focusing on solving their difficulty finding jobs during the pandemic. By the end of 2021, we had employed nearly 10,000 migrant workers.

Promoting Democratic Management

The Group continues to carry out democratic management in the basic form of the workers' congress. In accordance with the working principles of promoting corporate development and safeguarding the rights and interests of employees, the Group has established a trade union unit and formed certain characteristic practices through exploration and practice in its own development and democratic management.



When various levels of businesses including **CR Snow Breweries** and **CR Healthcare** formulate rules and regulations or major issues that directly involve the vital interests of employees, such as salary and benefits, attendance and vacation, labor safety, etc., they will convene a workers' congress or trade union meeting to discuss and solicit opinions and suggestions from employees.



Trade unions at all levels of **CR Pharma** have set up labor protection supervision committees or supervisors to strengthen the mediation of labor disputes and safeguard the legitimate rights and interests of employees.



Creating Equal Job Opportunities

Providing Employment Support for the Disabled

As of December 2021, the total number of employees in CRH was 362,706, among which 2,425 have disabilities, including 182 with visual disabilities, 327 with hearing disabilities, 30 with speech disabilities, 1,322 with physical disabilities, 318 with intellectual disabilities, 159 with mental disabilities, and 87 with multiple disabilities, accounting for about 0.67% of the total number of employees. In 2021, the total amount of the Group's residual insurance payment was RMB 165.4396 million.

Through measures such as helping the disabled upgrade skills at work, relieving their difficulties and worries in life, implementing equal pay for equal work, and advocating equality and mutual assistance as part of the corporate culture, the Group has strengthened support for the employment of special groups, so as to help the disabled find jobs, integrate into the society, and continue to make contributions as part of the CRH family.

Protecting the Rights and Interests of Migrant Workers

The Group actively implements the real-name management of migrant workers and wage deposit requirements as required by the "Regulations on Guaranteeing the Payment of Migrant Workers' Wages". For migrant workers who directly sign employment contracts, their personal information is managed under the real-name system through the human resources management system, and wages are paid to the employees' personal bank accounts on time through bank transfer. For the management of migrant workers in partner institutions, the partner institutions are required to complete the payment of project funds on time. Secondly, the real-name system for migrant workers is fully implemented. Under such a system, migrant workers must sign contracts first before entering the construction site and the management of wage payment is standardized. Thirdly, the inspection mechanism is actively improved, with random telephone inspections and on-site inquiries held from time to time. The Group has achieved "zero arrears" in the wages of migrant workers throughout the year.

Pacific Coffee Hong Kong Proactively Offering Jobs to the Mentally Disabled People

Pacific Coffee Hong Kong, a company under CR Enterprise, provided some job openings in its central kitchen packaging department to the disabled in consideration of its current business operations, in order to solve their employment problems. The job responsibilities involved in packing are simple and require no complicated training. At present, most of the employees in this position are mentally disabled. Each team will also be assigned social workers to be responsible for collaboration. In Pacific Coffee Hong Kong, 15 persons are assigned to be responsible for packaging in central kitchens. In addition, another one person is assigned to be responsible for administrative work in the office, mainly in charge of the daily receipt, distribution and mailing of office documents. One person is arranged in first-line stores to work as a part-time barista.

Wage Arrears Eradication Leading Group Set up by CR Land

CR Land has set up a leading group for the eradication of wage arrears, headed by its COO. Special working groups for the eradication of wage arrears have been set up with the person in charge of each unit as the group leader, the leader in charge of finance and contracting as the deputy group leader, and the persons in charge of contracting, finance, engineering, and law as group members. The special groups comprehensively investigate the wage payment of migrant workers and organize the payment work in an orderly manner, effectively ensuring "zero wage arrears" for migrant workers.

Customer Responsibility

Deliver extraordinary products with a caring heart



Addressing people's needs Providing Quality Products and Services for the Public

As a diversified state-owned enterprise in basic industries of people's livelihood, CRH takes providing convenient products and services to the public as both its long-term mission and major task in the new era. In 2021, CRH has continued to enrich its product nature, improve service quality, and ensure the supply of materials and energy, in order to meet the needs of the country and the public.

Improving Product and Service Accessibility

CRH attaches great importance to the supply of energy and people's livelihood. The Group constantly improves its ability to ensure the supply of electricity, gas, medical care, medicine, and people's livelihood, and guarantee a secure and stable supply of energy and people's livelihood.

Livelihood

CR Vanguard prioritizes national development, making full efforts to ensure the supply of daily necessities in Nanjing, Xi'an, Shenzhen, and Shanghai among other places affected by the pandemic, as well as regions stricken by natural disasters such as Henan. We have finished the important tasks to guarantee the supply of quality food for the 14th National Games and National Games of Disabled Persons, ensuring zero cases of food security accidents, foodborne stimulant use, food security complaints, and food delivery errors.

Efforts by CR Suguo



In July 2021, during the outbreak of Covid-19 in Lukou and Yangzhou, Nanjing, CR Suguo made great efforts to ensure supplies of people's necessities. It increased its inventory and supply of basic necessities (with a daily supply of 500 tons of grain, oil, rice and noodles, 300 tons of fruits, vegetables and meat, 40 tons of eggs, 100 tons of dairy products, 50 tons of convenience food, and 10 tons of disinfectants). It increased the frequency of material delivery and distribution to ensure stable pricing of important daily necessities and that no materials run out of stock. It continued to strengthen its online "no contact delivery service", increasing the number of pickers and deliverymen to quickly respond to online orders and meet the e-shopping needs of residents. The one-hour emergency supply guarantee was launched. Once a community is locked down due to the pandemic, the Suguo stores nearby can distribute daily supplies such as grain, oil, rice and noodles, fruits, vegetables, meat and eggs, convenience food, and drinking water to the designated pick-up point within one hour to ensure that residents' daily life is not affected.

Market Prices

Since the second half of 2021, influenced by multiple factors, the supply of coal market has been tightened. The price of thermal coal set new highs for a few times, the pressure of coal and electricity supply was huge, and there was difficulty ensuring heating supply for people. CR Power, in quick response to people's needs, set up a special energy supply security team, coordinating various units to guarantee coal supplies, equipment operation and management, and the supply of power and heating, in order to ensure people's livelihood. At the critical time when the national economy and people's livelihood is threatened, CRH stood up to provide electricity and heating support for all households against all odds, receiving praises and letters of appreciation from national ministries and commissions, local governments, and energy administration departments.

Healthcare

CR Pharmaceutical has built a modern pharmaceutical logistics system to ensure efficient and stable transportation of medicine and devices at the grassroots level and in remote areas, and has improved the accessibility of medicine. It has published videos to promote healthcare knowledge online and organized on-site public health activities to improve the accessibility of health knowledge to the public; In 2021, CR Pharmaceutical actively promoted high-quality products to countries along the Belt and Road area, served customers and patients in over 30 countries or regions, and ensured wide coverage and fair access of medical and health services at home and abroad.

CR Pharma Comm Self-service Equipment



CR Pharma Comm is committed to providing customers with quality service. By installing medicine vending machines in fever clinics, patients can take medicine by scanning codes or tapping cards to achieve no-contact automatic prescription and smart medication guidelines. This has greatly improved the efficiency of medicine taking process, reduced the queuing time, and minimized the risk of cross-infection for doctors and patients.

Finance

CR Finance has continuously optimized small and micro credit business management, ensuring the smoothness of the "last mile" of small and micro financial services. CR Trust is working hard to promote the sustainable development for SMEs. In 2021, it has provided 82 projects totaling RMB 61.9 billion to support over 2,000 SMEs.

Science and Technology

CR Microelectronics is one of the few companies in the Chinese semiconductor industry with a full production chain focusing on areas such as analog and power semiconductors, improving the self-sufficiency rate and ensuring the stable supply of chip throughout the industrial chain including wafer production, packaging and testing, mask production, and integrated circuit design.



CR Land focuses on the silver population, providing a variety of healthcare services with premium quality.

Meeting the Public Demand of a Quality Life



 Livelihood

CR Snow Breweries is the world's top 1 beer brand in terms of single-brand sales. In 2021, CR Snow Breweries implemented the strategy of "achieving success in premiumization" in which the company launched its super-premium new product "Li", premium product "Löwen Fruit Beer" (#485 Rosé)), and carbonated beverage "Snow Xiao Pi Qi". International brands such as "Amstel" and "Edelweiss", etc., are also introduced, so as to constantly enrich its product portfolio and meet the public's demand for mid and high-end beers.

Since CR Land entered the senior housing industry in 2016, it has focused on high-end elderly care complexes and community health care service centers to continuously improve its level of advanced health care services. In 2021, CR Land comprehensively improved its health care business service system. The Enjoy Ages • Care Center (Shenzhen) at Songgang won the CARF International Elderly Care Gold Standard Certificate, with the rate of satisfaction increasing by 20%. The quality services provided were well-recognized by the elderly and their families.

 Medical

CR Healthcare continues to provide innovative and high-quality health products and services and protect public health. Famous brands under the business include CR Sanjiu, Double-Crane, Jiangzhong, Dong-E E-jiao Zizhu, CR Care, Teck Soon Hong, Yuting, and Boya. CR Double-Crane has profound experience in chronic diseases, infusion, pediatrics, and nephrology. In July 2021, it introduced the Fascin protein inhibitors from Novita Pharmaceuticals Inc. in the United States, which can be used as a potential tumor metastasis control oral drug, to provide more and better treatment for tumor patients. CR Jiangzhong is the "pioneer of TCM inheritance and innovation". Its product "Shenlingcao" accompanied Chinese airships into the space for four consecutive times from "Shenzhou X" to "Shenzhou XIII".

 Science and Technology

In 2021, the annual polyester capacity of CR Chemical Materials was 1.6 million tons (excluding the 500,000 tons of production completed in Zhuhai Phase III), and the production capacity of bottle grade polyester chips ranked fourth in China and seventh in the world. The PETG special polyester phase I project was successfully put into production, breaking the monopoly of European and American countries in the field of PETG, a weak line of China's engineering plastics industry. Its self-developed rPETG product was successfully applied in the 2022 Winter Olympics and Paralympics, leading the green development of the industry. The PET foam, as a new type of high performance lightweight green materials, was included in the Catalog of National Weak-link New Materials and applied in areas including architecture, railway traffic, wind power, cars and yachts. In 2021, CR Chemical Materials' high performance PET foam phase I project entered industrialized construction and passed the DNV certification of the wind power industry.



CR Chemical Materials' PET foam production line

Higher-standard Quality Management System



Quality control IOS9001	Automobile industry quality standards IATF16949	SONY Green Partner Sony GP
Hazardous substance process management QC080000	Information security management ISO27001	ESD Protection management ESD20.20
Environmental management ISO14001	Occupational health and safety management ISO45001	Energy management ISO50001
CR Microelectronics' product and service quality control system has been certified by international and domestic authoritative certification bodies and successfully passed the auditing of 285 key customers, including Samsung, MPS, UAES, BYD, Schneider, and Goer Acoustics.		

Improving the High Standard Quality Control System

During the Covid-19 pandemic, **CR Vanguard** enhanced daily inspection and reviews, strengthened the disinfection of facilities and public areas, and strictly implemented the acceptance check process of fresh commodities, as an effort to ensure "zero infection" and safety of employees and customers;

CR Land has improved the CR Land Quality Control System Construction Regulations among hundreds of internal product quality control policies, carrying out ISO9001 and other quality system certification and third-party quality assessment;

CR Pharmaceutical has successfully gotten all its pharmaceutical manufacturing businesses obtained GMP certificates while all its pharmaceutical businesses have passed the domestic GSP certification. Businesses such as Dong-E E-jiao, CR Jiangzhong, and CR Sanjiu have passed the ISO9001 quality control system certification. Multiple company laboratories have passed the CNAS certification;

CR Microelectronics has set up a quality control system according to ISO9001 and IATF16949 quality control standards to improve the coverage of quality control and capability of implementation;

CR Chemical Materials has established and implemented ISO9001: 2015 quality control system to realize the whole process of control and management and to ensure product quality and safety.

Empowering Quality Control

CRH has encouraged all staffs to acquire new skills as well as laws and regulations on food and drugs by holding various competitions on quality check, technology, and essay solicitation, and promoting quality control practice through internal electronic publication EHS Information and the official website, creating an enabling environment for strong quality control. In 2021, the Group held two training sessions for internal auditors of the EHS management system, which systematically improved the internal audit capability of the Group's EHS management system.

Vertical Quality Control Training and Competition



In a quality control knowledge contest for state-owned enterprises organized by SASAC, a total of 306,000 CRH employees participated, accounting for 76.5% of total number of employees. Among them, the participation rate of nine business units was 100%, and multiple business units had a participation of more than 10,000 persons. This was a testament to the enthusiasm of the Group's staff about the contest and their willingness to enhance quality control. In 2021, CR Healthcare organized 52 training sessions on quality management covering core systems, clinical nursing skills, legal practice, management tools, and pandemic prevention and control. CR Cement Foshan carried out special trainings on production and quality control for laboratory technicians to learn the quality control requirements on concrete products and raw materials in national standards, industry norms, and management manuals, to improve the professional technology and capability of the personnel in each position.

Improving Quality Control Levels

The Group has continued to carry out lean management through the implementation of tools such as 5S management and minor improvement. We encourage entry-level employees to actively find problems based on their jobs, eliminate on-site quality and safety risks, and continue to implement refined quality control. Focusing on the weaknesses and difficulties of quality control, we have carried out extensive improvement activities, summarized and shard common improvement experience within the Group, and improved the quality of corporate management. According to the industry characteristics of each business unit under the Group, we focus on businesses in old revolutionary base areas, minority areas, remote areas, and new areas or those with quality issues and high-risk products, and provide quality supervision and support to achieve good quality control.

CR Snow Breweries has organized each factory to check the problems and risks in the management of quality and safety accidents, quality complaints, traceability and recall, compliance, etc. by referring to the EHS management rules of the Group and the 24 SnowMS-QFS key factors. It has formulated effective control measures to ensure that the problems and risks are effectively solved and controlled.

CR Vanguard has continued to improve its fresh goods quick inspection laboratory, equipped with full-time testing personnel and professional testing equipment to conduct special testing on meat, fruits and vegetables using the grading control mode for high-risk and regular single products. In 2021, 11 fresh goods distribution centers conducted agricultural residue testing on 823,000 batches of products, a year-on-year growth of 41.99%.

CR Ng Fung Hong Kong Meat Business Division has used an APP and a POS machine to upgrade and improve its existing delivery system, reducing the error rate of manual operation.

CR Jiangzhong Wanli Manufacturing Base organized and carried out special research on the quality problems of Hualian aluminum machines such as drug leakage and skipping due to camera system failure, as a way to solve the phenomenon of packaging cavity of the 20-plate indigestion tablets and improve the product's packaging quality.



CR Double-Crane's soft bag infusion automatic production line implements strict quality control in every section.

Stricter Anti-counterfeit Publicity and Potential Risk Warning

CRH respects and strictly implements the requirements of the Advertising Law of the People's Republic of China, the Law on the Protection of the Rights and Interests of Consumers, the Law Against Unfair Competition among other laws and regulations. Regulating the characteristics, pricing, and quality of products and services within the scope of its activities, the Group's continuously conducts fair marketing, carefully chooses the terms used in advertisements, and resolutely opposes false advertising.

CR Gas has intensified its standard of the legitimacy and compliance of publicity plans and promotional documents, formulated conduct norms for the marketing personnel in the advertising and launching, product sales, and contract signing, and prohibited the dissemination of misleading product information and overcommitment.

CR Property has provided authentic and accurate promotional information for its products and services. Its affiliated hotels have regularly conducted compliance checks on the room prices and room descriptions through online channels, and have strictly reviewed the activity rules to ensure the authenticity of online information.

CR Microelectronics has carried out responsible marketing activities, strictly prohibited false or misleading publicity, and protected the legitimate rights and interests of customers by enriching potential risk warning channels.

Fair Trading

Adhering to the principles of voluntariness, fairness, compensation of equal value, and integrity, CRH provides goods and services with quality assurance, reasonable pricing, and correct measurement. The Group firmly refuses market monopoly and price pushing to safeguard consumers' right to choose products and services freely;

Adhering to the principle of voluntary and fair trading, **CR Gas** is committed to maintaining the market trading order and pursuing win-win cooperation among customers, the company, and the society;

CR Pharma has promoted all companies to develop systems including the Drug Instruction and Label Management Rules and Management of Packaging Materials for Production. It has strengthened the drug packaging labeling review, clarified the adverse reactions that may occur to some patients during medication, and standardized the procedures of product packaging design, advertising, trademark application and use, to ensure fair information and protect customer rights and interests;

Based on customer demands, **CR Asset** insists on providing customers with true and fair product and service information. It has publicized asset disposal transactions by listing and adopts opening bidding to dispose property assets, to ensure the transparency and fairness of the transaction process;

When establishing entrusting relationships with clients, **CR Insurance Brokers** formulates a power of attorney or an entrustment agreement and notifies clients of relevant information and customer rights and interests; Service consultation calls, complaint hotline, and "anti-money laundering" monitoring have been established to protect clients from being misled and to prevent illegal sales such as forced sales and tied sales.

Customer Information Protection

CRH attaches great importance to customer information management. It has organized all employees to sign confidentiality agreements and highlighted to them the importance of confidential work. It has formulated and implemented Confidentiality Management Methods and Classified Personnel Management Methods. It has defined the scope of confidential information and management of confidential work, and carried out cybersecurity education and skills training. Over 740,000 employees of the Group participated in the activities throughout the year, with their understanding of cybersecurity greatly improved. Priority was also given to strengthening data security and customer privacy protection, with data security compliance inspection carried out for units with large customer information. Common risks were summed up and improvement plans were formulated; To promote the research and development of cybersecurity products and the transformation of achievements, CRH has independently developed a "three-smarts" management platform for management, monitoring, early warning, response, and collaborative automation on cybersecurity, and built a cybersecurity operation system based on security command, situation analysis, and security linkage, acting as a solid defense line for customer information protection.

Dedicated Efforts of CR Finance to Protect Information Security



CR Finance has formulated customer privacy protection standards and set up a series of physical, electronic, and procedural preventive measures to ensure that customer information is highly confidential.

CR Trust has established Guidelines for the Protection of Personal Information of Financial Consumers, clarifying the requirements for the collection, use, and preservation of personal information, and taking measures such as systematic authority management, file management, borrowing and reading management to strengthen the protection of customer information. It is expressly forbidden to tamper with or illegally use personal information, or provide personal financial information to a third party in violation of laws and regulations, the company's system, or without customer's authorization or consent; The investigation and improvement of system information security has been completed. Anti-leak terminals have been installed to protect data of all staff and effectively implemented the standard requirements of personal information security management. In 2021, the company did not have any information security incident.

CR Asset has fully implemented the "four defenses", i.e. "human defense, control defense, technical defense, and physical defense". Investment in information security infrastructure construction has been enhanced, and information system operation and maintenance management has been strengthened; Information security training has been provided for staffs to improve their overall capability of ensuring data security.

Improving Customer Satisfaction

In 2021, CRH keep improving the customer relationship management system, fine-tuning customer satisfaction survey cannels, enhanced data analysis while, at the same time, carrying out closed-loop management of customer relationships and boosting customer satisfaction.

CR Gas brushed up customer relationship management policies and system, clarified business goals and targeted satisfaction indices of the year, as well as carried out cross-checks on customer satisfaction to equip employees with more mature customer service abilities. Meanwhile, it promoted their excellent service concept and management .In 2021, third-party customer satisfaction survey of CR Gas received18,660 valid samples, ranking in the top 1% with a score 91 marks which is 30% higher than the average for public utilities.

CR Property Chinese Arts & Crafts Division scored 95.31 points in the 2021 "Mysterious Shopper Program", and was awarded the "2021 Service Retailer of the Year Award (Elegant and Fashionable Lifestyle)" by the Hong Kong Retail Management Association, in recognition of its outstanding performance in customer service.

CR Life Sciences carried out field visits to eights on-campus enterprises. The overall customer satisfaction was 100%.

CR Digital regularly analyzed user feedback and constantly optimized its service proposals according to the results of the user satisfaction survey.. In 2021, the customer satisfaction score of its subsidiary, Runlian Technology, was 84.4% and the user satisfaction score was 83.6%. The customer satisfaction score of online experience was 92.7% and the user satisfaction score was 91%. Its scores in the two indices are on steady rise year by year.

Driven by Innovation, Empowering a Better Life

In 2021, CRH sped up the entire process of technological innovations by pumping RMB 4.66 billion for annual R&D investment with a year-to-year increase of 41.04%. while R&D work intensified by 25.78%, empowering a better life for the public by achieving innovation.

Innovate Systems and Measures

In 2021, CRH established a sound innovation mechanism, established and refined the Scientific and Technological Innovations Committee and a Scientific and Technological Innovations Department. It also issued the CRH Guidelines on Scientific and Technological Innovation, and came up with special plannings on the area during the 14th five-year plan, developed systems such as the Management Regulations on Scientific and Technological Innovations. Moreover, it held the first Scientific and Technological Innovations Conference. Such efforts have sped up the building of the scientific and technological talent team covering “four layers and four categories” .



Consumer Products

CRH has leveraged new technologies, new materials and new craftsmanship to green, healthy, safe and quality products. In particular, CR Snow has strengthened researches on biochemical and packaging technology, and explored new raw materials. CR C'estbon has carried on low sugar and low fat technology; Ng Fung has focused on upgrading formula and craftsmanship for constant development of new products.



Integrated Energy

CR Power has increased research and application of new technologies such as energy storage, hydrogen energy, and carbon capture and utilization. CR Gas has focused on the research, development, and application of clean energy technologies and products, and strengthened efforts in the research and application of the urban gas pipe network simulation system.



Urban Construction and Operation

With primary focus on smart cities and innovation incubation, CR Land has launched research on key topics namely resilient cities, low-carbon cities, and BIM; CR Cement has conducted targeted research on development of quality materials with low energy consumption and emission; CR Property has actively explored new technology application in the property service scenarios.



Healthcare

In the pharmaceutical sector, greater efforts have been made in the technology and product innovation in the fields of branded drugs, generic drugs, and new formulations. CR Healthcare has worked hard on developing its advantageous disciplines and clinical trials of drugs and devices. CR Pharma Comm has focused on the digital upgrade of supply chains, construction of smart cloud warehouses, and building of a service platform.



Industrial Finance

To build an "Industrial Chain + Finance + Internet" ecology, subsidiaries including CR Bank, CR Trust, CR Asset, and CR Capital Management have focused on product innovation and systematic digital transformation.



Technology and Emerging Sectors

CR Microelectronics has given full play to its advantages in filling up the technological shortcomings and market gaps of the country, and speeding up the replacement by home-made facilities; CR Chemical Materials has been making breakthroughs in the field of high performance polymers and high performance fiber with polyester as foundation; CR Env Protection has focused on water and solid waste, and has launched R&D on low-carbon and energy-saving sewage treatment and utilization technology while developing core technologies and smart equipment for solid waste treatment and disposal.

Environmental Responsibilities

Care for and Protect the Earth



Improving the Environmental Management System

The Group has studied and implemented Xi Jinping thought on ecological civilization. We have integrated green and low-carbon into our development plan, and we aimed to promote green and high-quality development by adjusting and optimizing industrial structure and energy structure, innovating and applying advanced energy-saving and low-carbon technologies, and strengthening environmental protection and energy-saving and low-carbon management.

Strengthening Planning Guidance

The Group has incorporated green and low-carbon into its corporate development strategy. We prepared and released the "14th Five-Year Plan" on EHS management, which clarifies the concept, mission, strategy and objectives for the management of energy conservation and environmental protection, and specifies the main tasks and safeguard measures of the Group to implement the "carbon peaking and carbon neutrality" strategy, work on ecological and environmental protection, and strengthen the management of energy conservation and environmental protection system in the "14th Five-Year Plan" period, thereby setting a direction for the Group to achieve green and low-carbon development during the "14th Five-Year Plan" period.

Main Targets of the Group for Energy Conservation and Environmental Protection in the "14th Five-Year Plan" Period

As compared to the end of 2020, comprehensive energy consumption of the production value (business revenue) for every RMB10,000 (tons of standard coal / RMB10,000) reduced by	+13.5 %
As compared to the end of 2020, comprehensive energy consumption of the added value for every RMB10,000 (tons of standard coal / RMB10,000) reduced by	+10 %
As compared to the end of 2020, total NOx emissions (tons) reduced by	+15 %
As compared to the end of 2020, CO ₂ emission intensity (tons / RMB10,000) reduced by	+18 %
As compared to the end of 2020, coal consumption (grams of standard coal/kWh) for electricity supply reduced by	+0.8 %
As compared to the end of 2020, comprehensive energy consumption per ton of clinker (kg of standard coal per ton of clinker) reduced by	+8 %

Troubleshooting and Managing Environmental Problems

Combined with the typical and common problems found in environmental inspections in recent years, the Group prepared and released the "General Inspection Points of CRH for Environmental Protection", which clarifies the general inspection contents on environmental protection for each business unit from aspects of compliance management, supervision and inspection, pollutant prevention and control, and emergency response, and provides guidance for all units of the Group to carry out daily work on environmental protection and troubleshoot and manage environmental problems. Each business unit has further refined their respective industry inspection contents based on industry characteristics, and has troubleshoot and managed environmental problems on a regular basis to effectively prevent ecological and environmental risks.

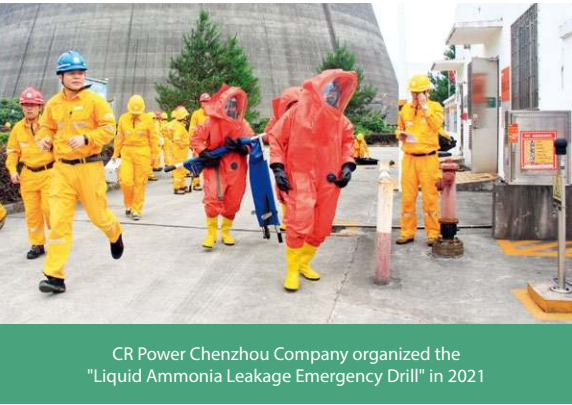
Development and Application of Environmental Technology

Key Environmental Improvement Projects of the Group in 2021

Project Name	Unit	Category	New technologies, techniques and equipment applied	Results
Cement Kiln Nitrogen Oxide Ultra-Low Emission Transformation Project	China Resources Cement (Huizhou) Co., Ltd.	Air pollution prevention and control	Applied graded combustion and intelligent and efficient SNCR denitrification technology at the end of cement kiln to reduce NOx emissions in flue gas	Nitrogen oxides achieved stable ultra-low emissions (below 100mg/m ³)
Volatile Organic Compounds Integrated Management Project	China Resources Sanjiu (Zaozhuang) Medical & Pharmaceutical Co., Ltd.	Air pollution prevention and control	Applied the combined technology of "bio-scrubber + bio-absorption tower" and "composite photocatalysis + activated carbon adsorption" to collect and treat odor and waste gas from wastewater treatment stations and laboratories	Hydrogen sulfide, non-methane total hydrocarbons and other pollutants all met the organized emission standards
Gas Boiler Low-Nox Renovation Project	China Resources Chemical Innovative Materials Co., Ltd. Changzhou Company	Air pollution prevention and control	Applied coupled graded combustion technology and flue gas recirculation technology to effectively control thermal NOx	Gas-fired boiler NOx emissions met industry ultra-low emission standards (50mg/m ³ or less)
Wastewater Treatment Improvement Project	China Resources Double-crane Pharmaceutical Co., Ltd. Cangzhou Company	Water pollution prevention and control	Applied the combined process of "hydrolysis acidification + UASB + A/O + secondary hydrolysis acidification + A/O + ozone oxidation" to improve the wastewater treatment system's ability to remove nitrogen from wastewater	The removal rate of total nitrogen index reached over 90%
Wastewater Recycling Project	China Resources Cement (Shangsi) Co., Ltd.	Water pollution prevention and control	Treated and reused wastewater by building collection ponds, filtration ponds and applying RO membrane reverse osmosis units	More than 500,000 cubic meters of water consumption was saved each year, and the "zero-discharge" of wastewater was realized.
Industrial Sludge Bio-Resourceful Disposal Project	Jiangzhong Pharmaceutical Co., Ltd.	Solid waste pollution prevention and control	Treated sludge in an eco-friendly way by using cultured earthworms. The sludge digested by earthworms is odorless and tasteless, and can be used for soil improvement, etc.	Industrial sludge can be treated in a reduced, harmless and resourceful manner
Construction Noise Pollution Prevention and Control Project	Projects under development of China Resources Land Ltd.	Noise pollution prevention and control	Adopted management and technical measures such as installing sound-absorbing screen enclosures, applying movable sound insulation sheds and enclosures, setting up noise monitoring systems, optimizing construction processes, etc. to reduce the impact of noise from excavation, steel processing, concrete pouring and stone cutting on the surrounding environment during construction	Noise emissions were reduced by about 10 dB compared to the pre-project level

Environmental Emergency Response Mechanism

In light of the new situation and requirements on environmental protection, the Group has revised and released the "Comprehensive Emergency Response Plan on Environmental Emergencies of China Resources (Holdings) Company Limited (2021 Edition)", which optimizes the Group's emergency response organizer, division of responsibilities and response mechanism of environmental emergencies, and guides its units at all levels to effectively deal with environmental emergencies. Our power, cement, beer and pharmaceutical businesses have established their environmental emergency plan systems which contain comprehensive plans, special plans and on-site disposal plans for environmental emergencies, taking into account their own environmental risk characteristics, and have regularly conducted emergency drills to test and improve their emergency response capability.



CR Power Chenzhou Company organized the "Liquid Ammonia Leakage Emergency Drill" in 2021

Training and Education on Environmental Protection

The Group has invited external experts to conduct training sessions on carbon peaking and carbon neutrality for Group leaders, external directors, main heads of departments and business units, and professional managers, to raise their awareness of the importance of such carbon work. The Group has also held training sessions on EHS management system for auditors, which introduced laws and regulations related to energy saving and environmental protection, system audit techniques, verification standards, etc., striving to build a high-quality, professional internal audit team for CRH's EHS management system.



The Group organized the training sessions on elemental management system for auditors

Partner Responsibility

| Stabilize Supply Chain
for a Brighter Future



Enhancing Media Relations

Brand Management, to Clarify the Direction of Brand Building and Strengthen Management of Functional Lines

In 2021, CRH further deepened its brand building with a focus on promoting brand enhancement, improving brand system construction, increasing brand investment, strengthening management of functional lines, and enhancing corporate brand image, etc. In 2021, the Group held a conference on corporate culture and brand management to clarify the CRH's focus on brand building during the "14th Five-Year Plan" period, which laid the foundation for the Group to promote the top-level integration of culture, brand and social responsibility.

Strengthening Positive Communication to Enhance Brand Influence

In 2021, the Group was involved in "Party Finance, Centennial Token", which was launched by the News Center of the State-owned Assets Supervision and Administration Commission (SASAC) in cooperation with CCTV's "Dialogue" program, and Chairman Wang Xiangming told a story of "The Valuable Vest". The Group released "The Valuable Vest" on its official video account, promoted it with internal resources and integrated it into the Party history education. As of the end of 2021, "The Valuable Vest" received 1.193 million views. In 2021, the Group's official WeChat account and video account also planned several issues to report learning, education and thematic activities on Party history.

In 2021, CRH participated in the production of "Hundred Years of Exploration", a series of micro-documentaries to commemorate the centenary of the Communist Party of China. Through 100 precious historical moments, the documentary documented the 100-year journey of our Party, allowing the general public to understand the history of the Party and the history of New China with vivid characters, touching stories and glorious history. The documentary was serialized on xuexi.cn from July 1 to October 8, 2021 and has been broadcast on the official website of Party History Learning and Education, the electronic newspaper column of People's Daily, People's Daily Online, peopledigital.com.cn, china.org.cn and other platforms.

In 2021, CRH's official WeChat account, video account, overseas social media and other official platforms planned a number of issues on the "14th Five-Year Plan", the three-year reform of state-owned enterprises, senior management training, Qianhai planning, business development and performance release of its subsidiaries, the Global Fortune 500, rural revitalization, the National Games, supply assurance, disaster relief and other contents, through innovative forms, and made special reports to strengthen the guidance for hot issues, so as to enhance information transparency. In 2021, our official WeChat account received 2.45 million views and 74 tweets attracted over 10,000 viewers; our official video account was broadcasted 9.61 million times a year. The content exposure at the CRH's official Facebook and Instagram totaled over 13 million times, with an effective reach of over 6.9 million times; Facebook content coverage totaled over 4.23 million times, with over 450,000 interactions and fans from as many as 45 countries. According to the characteristics of platforms, CRH has told stories mainly in English from the perspectives of business operation, business development, recruitment in Hong Kong, the National Games, overseas business, social responsibility and so on. All of these have effectively disseminated the content of CRH and the story of China and established a good image of CRH to the world.



In 2021, "No Poverty Land", a documentary on the history of poverty eradication titled by CRH and produced by Hong Kong TVB, was highly acclaimed upon its broadcast, generating much discussion online and offline. "No Poverty" refers to the eradication of poverty, and also means the endless journey to alleviate poverty. "No Poverty Land" documented the results of poverty eradication in Hainan, Guangxi, Guizhou, Yunnan, Sichuan and Ningxia, and told the Hong Kong public about the miracle of poverty alleviation in China, with over 10 million people watching the program.



The "Party Finance, Centennial Token" was jointly launched by the SASAC News Center and CCTV's "Dialogue" program, which told the stories behind the "tokens" of state-owned enterprises with special significance in the history of the Party. The team chose the special vest worn by the CRH founder, Yang Lian'an, when escorting funds in 1942 as the "centennial token" of CRH.



In November 2021, CRH released and promoted its new corporate image film "Journey Forward" themed with "What a Wonderful Life by China Resources", in an effort to demonstrate its strength and commitment as well as ideals and beliefs, and enhance the reputation and goodwill of its brand. The Group promoted the film through various types and perspectives, with a total exposure of over 81 million times and a total interaction of about 960,000 times.

Public Responsibility

Bringing Positive Changes
to the Community



Story 6

Efficient Aid Offering Heart-warming Support for Cities in Four Seasons

—CCR C'estbon Public Welfare Rapid Response Mechanism for Disaster Relief



From Kou Shaohang of CR C'estbon. I'm grateful to my hometown for bringing me up and now I want to protect her in return.

Kou Shaohang

CR C'estbon
Sales Manager of Traditional
Urban Channels, Xi'an, Shanxi



On December 24, 2021, 330 locally acquired COVID-19 cases were reported in Xi'an. Facing a severe pandemic, Xi'an decided to close down the city. It meant that thousands of medical workers, community workers and volunteers would go to the front line of pandemic control and water supply was a key link of material support. On the same day, CR C'estbon initiated the Public Welfare Rapid Response Mechanism for Disaster Relief. In response, Kou Shaohang, sales manager of CR C'estbon in Xi'an, Shanxi, volunteered to deliver supplies to frontline workers and people in locked-down communities. In the following week, he worked with 13 individuals to deliver more than 100 tons of water to all regions of Xi'an.

CR C'estbon has been providing disaster relief support since 2008 beginning with the Wenchuan Earthquake on May 12, 2008. It has also offered support during the Dali earthquake in Yunnan Province in 2021 and the torrential rain and floods in Henan Province in 2021 alongside COVID-19 relief in 2020 which continues even today. CR C'estbon has constantly improved its disaster relief mechanism turning its mature nationwide commercial network into an emergency supply network and providing a wide range of emergency supplies to disaster-stricken areas or closed-off communities at the earliest time. Having dedicated itself to public welfare for 15 years, CR C'estbon has formed a corporate social responsibility system featuring bilateral linkages between local divisions and headquarters and active response units establishing a drinking water supply network to bolster disaster and pandemic relief efforts.

We must bring drinking water to them despite the difficult weather conditions.

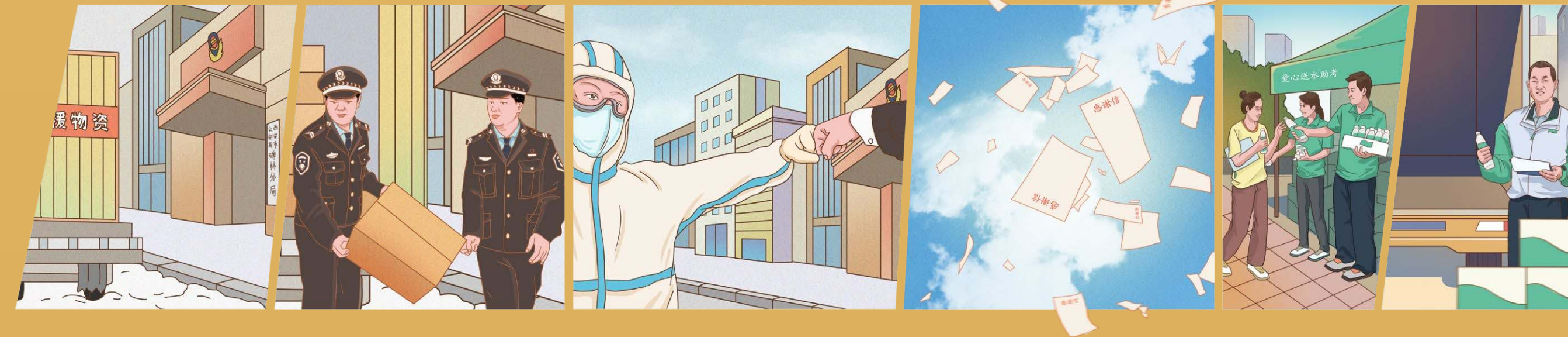
Leading a Team of Fourteen Volunteers Towards the Front Line of Pandemic Control

On the day of lockdown, the streets of Xi'an were filled with people wearing masks busy shopping for supplies. Kou Shaohang realized that Xi'an was fighting an uphill battle against the pandemic. "My hometown is sick and we need to do something about it," he said.

When he saw the Company's call for donations, more than 70 people in Xi'an had already participated. In the end, a team of fourteen healthy and strong volunteers with eligible passes were formed to deliver supplies to Xi'an. As the only person with a cross-border pass, Kou Shaohang was responsible for personnel and supply coordination shuttling between different regions for seven consecutive days despite the risks of COVID-19 infection.

On December 25, 2021, the temperature in Xi'an plummeted with heavy snow making it difficult to work outdoors. Thinking of the thousands of medical workers struggling to "race" against the virus, Kou and his colleagues still rushed to deliver purified water to pandemic-stricken regions against all odds despite the difficult traffic and poor visibility on snowy days with -6 °C weather (there was not even hot water available to make instant noodles so Kou Shaohang and his colleagues had to bring packaged food supplies during the process).

When they arrived at the Xi'an Pandemic Prevention and Control Command Center, the staff went to the front line completing the loading and unloading of purified water by themselves. A total of 1,000 boxes of purified water were loaded and unloaded by six people in three hours. "My arms were sore and my masks were soaked with sweat," he said.



The police and medical workers protect the city and we protect them.

The water welfare of CR C'estbon makes me know that every bottle of C'estbon water has a share of responsibility.

Tiding Over Difficulties Together Under the Severe Cold

With nearly twenty centimeters of snow covering the ground, Kou Shaohang and his colleagues would get their shoes and socks soaked every time they went out. In order to prevent frostbite, they warmed themselves up before going out. In the cold, they faced a surprising emergency: When they arrived at Beilin Sub-bureau, Xi'an Public Security Bureau, their van broke down at the gate while they were several metres away from the warehouse.

When they were puzzled about what to do, the public security officers who had just finished their shifts came to help with the loading as soon as they saw the scene. "It was tiring but also heartwarming." During the volunteering work, Kou Shaohang was praised by frontline pandemic prevention workers. "They would bump fists with us to send us greetings." And each thank-you letter CR C'estbon received was a recognition of the company's disaster response mechanism. In the end, they delivered 195,600 bottles of C'estbon purified water in 8,000 boxes over seven days.

Three-way Coordination to Enable Round-the-clock Monitoring and Prompt and Efficient Assistance

How can supplies from remote warehouses be delivered to the front line the day right after the lockdown? It has everything to do with the "headquarters - regional divisions - distributors" three-way coordination mechanism of C'estbon.

The "Public Welfare Rapid Response Mechanism for Disaster Relief" of CR C'estbon was established in 2008. After 15 years of development, frontline employees in various regions have been incorporated into the system. After receiving professional training, the employees were able to follow local dynamics closely and report abnormalities immediately forming a "7*24 hours" monitoring system to guarantee that no disaster-related information is missing. In case of natural disasters, the CR C'estbon districts, regions and factories can respond at the earliest time coordinating the local business team and dealers to allocate materials and contacting relevant government departments and public welfare organizations to ensure efficient assistance during the golden time for disaster relief.

Constant support for disaster relief, pandemic control and public welfare activities

CR C'estbon has been involved in major public welfare disaster relief activities in China. In 2021, a year that saw frequent natural disasters, the company delivered water supply to the front line of disaster relief as soon as possible during incidents such as the earthquake in Dali in Yunnan, the heavy rainfall in Bazhong in Sichuan and the heavy rainstorm in Henan etc. With its quick response mechanism, CR C'estbon has made continuous efforts to ensure that safe and pure drinking water can be delivered to people in disaster-stricken areas as soon as possible.

Since 2020, CR C'estbon has made continuous efforts in the "Water Public welfare" project according to the latest development of pandemic prevention and control. When COVID-19 broke out in Wuhan, CR C'estbon issued a quick response donating nearly 40,000 boxes of C'estbon purified water and beverages to local pandemic control institutions in Wuhan including 280 hospitals and the Red Cross Society. Whenever there were recurring pandemic outbreaks from May 2021 to April 2022 in China, CR C'estbon kept a close eye on the COVID-19 situation in various regions and provided drinking water and beverages to ensure a comfortable work environment for front-line pandemic control personnel.

A key reason why CR C'estbon has been dedicated to its public welfare undertakings for 15 years is that the Company has kept its purpose pure and simple. CR C'estbon has gradually established a systematized mechanism through routine tasks and a quick disaster response. Its efforts have extended to a series of annual social responsibility public welfare activities such as the "Water Donation to Examination Site" for university entrance exam students, "Bringing Coolness in the Hot Summer" campaign for outdoor workers such as front-line traffic police and sanitation workers and the "A Bottle of Water on the Journey home" for the spring festival travel rush.

To forge ahead into the future, CR C'estbon recalls the Company's beginnings. CR C'estbon has always devoted itself to public welfare and has practiced social responsibility as an inner driver of sustainable development. The Company has continued to incorporate social responsibility in its corporate strategy and decision-making, daily business operations and functional management. Sustainable public welfare projects have helped CR C'estbon promote long-term development of social responsibility work.

Fulfilling the Mission as a Central Enterprise Based in Hong Kong Growing with Hong Kong

With 84 years of presence in Hong Kong, CRH has long been scaling new heights and actively fulfilling its mission as a central enterprise. With the support of the government, CRH has worked with all walks of life in Hong Kong to solve social contradictions and problems , promote economic development, and improve people's livelihood, in order to contribute its fair share in realizing the "one country, two systems" principle. CRH has been incorporating Hong Kong into China's development landscape, and maintaining the city's long-term prosperity and stability.

Reshaping Hong Kong Business

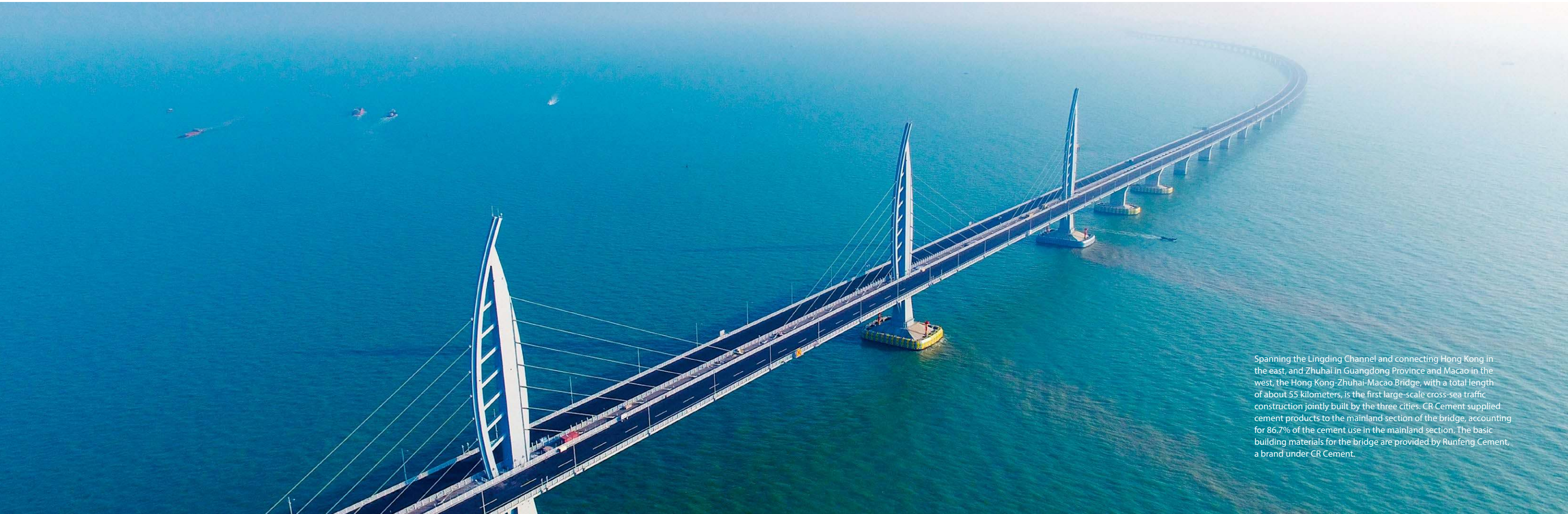
In 2021, CRH vigorously promoted the reshaping of its Hong Kong business. The Company established a Hong Kong working committee, formulated a Hong Kong business development strategy, and increased investment in the city. CRH held the

Hong Kong Economy and People's Livelihood Forum and set up a platform for information exchange. The Company explored new opportunities brought by the development of modern service industry and expansion of domestic demand, and strengthened cooperation in scientific and technological research and development and achievement transformation. CR Logistics acquired East Asia Industrial Building in Tuen Mun and Mineron Center in Fanling. The two buildings locate inside the northern metropolitan area of Hong Kong which help to enhance the scale of storage property in the region; In cooperation with the Chinese University of Hong Kong, City University of Hong Kong, and Baptist University among others, CR Enterprise set up a science and innovation investment platform to accelerate the transformation of science and innovation achievements in life science and health, biomedicine, and other cutting-edge fields. CR Property acquired the property and facility management business of Hong Kong Sing Chit Limited to accelerate the layout of the city's modern service industry.

CRH’ s business in Hong Kong mainly involves basic industries of people's livelihood such as retail, warehousing and logistics, property management, medicine and real estate, among which live pig, cattle and sheep supply to Hong Kong ranks the top in the industry, cold storage and coffee ranks second, and supermarkets ranks third.

-  CR Vanguard is the third largest supermarket chain retailer in Hong Kong. It operates three businesses in Hong Kong, namely, CR Vanguard Supermarket, VanGO convenience stores, and U Select.
-  CR Ng Fung focuses on the supply of living livestock from Mainland China to Hong Kong, slaughterhouse operation, and fresh and frozen meat distribution to ensure the meat supply to Hong Kong.
-  Pacific Coffee is the second largest coffee brand in Hong Kong and one of the most influential among the industry.
-  CR Care is a brand under CR Pharmaceutical which provides health products and services to Hong Kong citizens.

-  Chinese Arts & Crafts is a retailer of medium to luxury-level arts and crafts, focusing on jade, jewelry and other medium to luxury-level arts and Chinese clothing retail.
-  CR Land has residential projects in Hong Kong such as the Chancery Lane Project in Central, Shouson Hill Project, Kai Tak Project, Wah Tung Godown Building in Yau Tong, and Cheung Sha Wan.
-  CR Property manages several assets in Hong Kong including the China Resources Building, Causeway Centre, St. Regis Hotels and Resorts, and mansions at the Peak.
-  CR Enterprise mainly focus on retail property leasing in Hong Kong, while the business of CR Logistics mainly focuses on warehousing and distribution. The company owns room temperature warehouses, frozen warehouses, and the city's first midstream operation wharf.
-  Redland Concrete Ltd is one of the major suppliers of ready-mixed concrete to the construction industry in Hong Kong.



Spanning the Lingding Channel and connecting Hong Kong in the east, and Zhuhai in Guangdong Province and Macao in the west, the Hong Kong-Zhuhai-Macao Bridge, with a total length of about 55 kilometers, is the first large-scale cross-sea traffic construction jointly built by the three cities. CR Cement supplied cement products to the mainland section of the bridge, accounting for 86.7% of the cement use in the mainland section. The basic building materials for the bridge are provided by Runfeng Cement, a brand under CR Cement.

Strengthening Talent Development for the Hong Kong Team

In 2021, eight CRH employees were elected to the Hong Kong SAR Election Committee. Among them, one was elected as a Legislative Council member. The Group has taken an active part in Hong Kong's talent cultivating projects such as the "Four Hundreds of Thousands" project, "Greater Bay Area Youth Employment Scheme", "Hong Kong Internship Program", and the "Navigation Scheme" , providing 4,145 internships and 5,958 Mainland exchange opportunities for Hong Kong youth. Nearly 1,000 of them have been employed, covering jobs of entry-level, professional management, political personnel reserve candidates, etc. Since 2020, the "Spring Bamboo" program specially designed by CRH has created 2,000 jobs for Hong Kong graduates and Hong Kong residents in three years, relieving employment pressure and serving the development strategy of the city and the Greater Bay Area.



Dr. Lee Hoey Simon, Chief Strategy Officer of CRH in the Greater Bay Area, was successfully elected to the Election Committee, receiving 1,308, or 92% of votes, and finishing eighth out of 51 candidates. Dr. Lee Hoey Simon is one of the first members of the Legislative Council of Hong Kong Special Administrative Region elected after the enhancement of the Hong Kong's electoral system. He is also the first CRH employee ever to serve in the Legislative Council of Hong Kong SAR.

Helping Hong Kong Fight Against the Pandemic

At the beginning of 2022, the fifth wave of COVID-19 in Hong Kong dealt a severe blow to the city and brought difficulty to pandemic prevention and control. The Group and its subsidiaries made every effort to ensure the supply of materials, health of employees, pandemic prevention and control in the community.

In March 2022, **CRH** donated 1,000 professional medical beds to the Hong Kong SAR government to alleviate the shortage of medical resources. CR Logistics, a subsidiary of **CR Enterprise**, provided the government with about 100,000 square feet of storage space in the Tuen Mun District to store 100 million sets of rapid antigen testing kits purchased by the Hong Kong government. **CR Ng Fung** Sheung Shui Slaughterhouse recruited 38 mainlanders to set up a special group to ensure fresh meat supply to the Hong Kong market. **CR Vanguard** ensured the normal supply of vegetables, meat, rice, oil and other basic necessities in Hong Kong, and maintained stable prices. CR Care, a subsidiary of **CR Pharmaceutical**, made a solemn commitment to society that they would not raise prices or cut supplies in any of their branches to fully satisfy the needs of the public. **CR Land** Hong Kong Platform donated 1,000 boxes of Lianhua Qingwen, 1,900 protective suits, and 1,000 nucleic acid testing kits to communities hardest hit by the pandemic. **CR Power** distributed 1,000 rapid testing kits and alcohol hand sanitizers to KMB drivers for daily health monitoring. **CR Capital** distributed free medical sets, masks, disinfection supplies among other pandemic prevention materials to the citizens. Redland Concrete Co., Ltd., a subsidiary of **CR Cement**, was committed to ensuring the supply of concrete and assisting the construction of the temporary hospital at Kai Tak Cruise Terminal in Hong Kong. **CR Digital** carried out pandemic prevention and control on the cloud, providing continuous services in Hong Kong. In 2021, it supported 35 seminars of various types and held more than 600 video conferences in Hong Kong.

Coordinating Public Welfare Resources

Public Welfare

CRH actively undertakes the assistance and partner support tasks assigned by the state and actively gives full play to its resource advantages. It has built the CR Hope Town, setting a role model for national rural revitalization. In addition, the Group has also carried out extensive public welfare activities in the fields of pandemic prevention and control, disaster relief, education promotion, and environmental protection.

Public Welfare Management

In 2021, the Group further improved the organizational structure of the special leading group of rural vitalization Work and working office, both led by the chairman of the Group in coordinating resources and assisting rural revitalization. The Group takes the CR Charity Fund and Hong Kong CR Charity Fund Co., Ltd. as platforms to coordinate and manage charitable projects in Mainland Chinese and Hong Kong.



CR Power has built and put into operation a 760,000 kW wind power project and a 490,000 kW photo-voltaic (PV) project in Haiyuan County, and introduced CRRC Zhuzhou Institute Co., Ltd. to build a fan manufacturing base, promoting the development of Haixing Development Zone in Haiyuan County.

Combined Efforts to Boost Rural Revitalization

Regular Action: Assistance and Support

In 2021, CRH provided targeted assistance to Guangchang County (Jiangxi) and Haiyuan County (Ningxia) and provide partner support for Qingliu County in Fujian Province. In May 2022, the Administrative Measures on Designated Assistance and Partner Support and the Implementation Plan of the 14th Five-Year Plan were officially issued to provide organizational guarantee for the implementation of assistance and support work of CRH during the 14th Five-Year Plan. During the 14th Five-Year Plan, the Group will implement the "Four Don'ts" in poverty alleviation and adopt investment support, industrial cooperation, public support, and social donation as its work principles. The Group will sign five-year assistance agreements with Guangchang, Haiyuan, and Qingliu in five fields of revitalization, i.e. industry, talents, culture, ecology, and organization, helping the three counties consolidate crucial results of poverty alleviation and achieve high quality development of rural revitalization.

Guangchang, Jiangxi

In 2021, CRH launched the "Lianxin Yaoxi" Soviet area revitalization project in Yaoxi Village, Yiqian Town, Guangchang, to help local people develop homestays and farmhouse entertainment. The annual sales of Guangchang Bailian exceeded RMB 10 million from 750 CR Vanguard stores nationwide. CR Chemical Materials and Guangchang Changsheng New Materials regularly carried out exchange visits, industry information sharing, and technical guidance to promote the development of the new materials industry in Guangchang.

Haiyuan, Ningxia

CRH provided designated assistance for Haiyuan County from four aspects: industrial, investment, public welfare, and talents. In 2021, CRH donated RMB20 million to help Haiyuan County build a beef cattle slaughterhouse, primarily establishing the whole industrial chain of beef cattle breeding in Haiyuan County. CR Power invested more than RMB6.4 billion in Haiyuan County to support its local employment and tax revenue. The Group completed 7 "one-to-one" partner support activities to help impoverished college students in Haiyuan County, donating RMB3.928 million and subsidizing 1,964 impoverished college students. In 2021, the Group donated RMB480,000 to Guanqiao Town, Haiyuan County, to build the Guanqiao Town Exhibition Hall of Poverty Alleviation, which has now become a platform for Guanqiao Town to display its achievements of poverty alleviation and rural culture.

Qingliu, Fujian

In April 2021, CRH forged ties with Qingliu, Fujian, signing a partner support framework agreement with the county in October. By April 2022, CRH had donated RMB800,000 to Qingliu County for the construction of the "Red Flag Pavilion" and two CR C'estbon libraries. It purchased RMB840,000 and helped sell RMB2.18 million of local agricultural products. CRH developed the CR health rural public welfare project in Qingliu County, organizing 4,125 village doctors to participate in online training and providing in-depth offline training for more than 50 rural doctors. Three village doctors were selected to go to the CR Sanjiu Brain Hospital for free study. Three rural clinics were established, effectively improving the medical conditions of local villagers.

Optional Actions: Hope Towns

In 2008, CRH first proposed the idea of using corporate and employee donations to build CR hope towns in poor areas and old revolutionary base areas. Over the past ten years, CRH has donated more than RMB1 billion in total, and built 11 hope towns nationwide, including in Baise in Guangxi Province, Jinggangshan in Jiangxi Province, and Yan'an in Shaanxi Province, with the four visions of "environmental transformation, industrial support, and organizational reconstruction, and spirit reshaping". In 2021, the Yan'an Hope Town in Shaanxi Province was officially completed. The Nanjiang Hope Town in Sichuan Province started construction. The Kailang Hope Town in Gansu Province,

Tonghua Hope Town in Jilin Province, and Zhangbei Hope Town in Hebei Province started planning. The hope towns directly benefited 12,460 farmers from 3,381 households, improving lives for 100,000 people in the surrounding areas.

Upholding Mission: CR Yan'an Hope Town Officially Completed

Yan'an Hope Town is located in Mafang Village, Nanniwan Town, Baota District, Yan'an, Shaanxi, with a planning area of about 270 mu (or 0.18 km2). Upon completion, 19 houses were built and 104 houses were renovated. New basic facilities such as the Party and Mass Service Center, Hotel Elan, and Nanniwan No. 1 Boutique B&B were built or renovated. Public facilities such as the roads and solar streetlights were improved, bringing a thorough upgrade to the town's living environment. In the process of environmental renovation, CRH carefully created different levels of accommodation products, developed hiking routes to the surroundings, provided tourists with rural tourism service packages such as red training and rural experience to develop the tourism industry in rural area. CRH introduced CR MIXC Lifestyle to Yan'an Hope Town to create a "red butler" for the property management of Hope Towns and to fuel more efficient rural governance of Mafang Village. In Yan'an, CRH also paid great attention to the exploration and protection of local traditional culture and rebuilt the Mafang Stage, transforming Mafang Temple Fair into a platform for carrying out cultural activities in the countryside, adding vitality to the construction of civilization in Mafang village.



Residents of CR Yan'an Hope Town were watching the temple fair at a the renovated Mafang Stage

Strengthening Community Communication

Local Recruitment

In 2021, CRH made full use of the online recruitment platform, actively absorbing local students to effectively boost local recruitment with a number of 363,000 employees maintained throughout the year. The local employment rate was 99.9% in the CRH Mainland , 95.8% in Hong Kong, and 97.7% in Thailand, creating many jobs for the local people.

Supporting the Development of Community Public Health Services

Relying on its medical and pharmaceutical resources, CRH continues to carry out free community medical services and health education activities to improve public health awareness and promote community public health.

For four years in a row, CR Pharma Comm has launched the "Run-YAO Action", holding 2,041 events participated by more than 6,000 employees and providing nearly 30,000 hours of service.

CR Double-Crane launched the "Crane Bone Campaign" in Chamdo, Tibet and served more than 5,000 patients with Kashin-Beck disease by carrying out medicine delivery, case diagnosis, and return visits. Meanwhile, the "Rainbow Plan" telemedicine project has been launched. Ninety-two regional support activities and 232 on-site lectures and case discussions were conducted in 325 county-level hospitals in 25 provinces, benefiting more than 3,000 pediatricians and neonatal patients, helping to improve diagnosis and treatment at the community level.

For five years in a row, CR Jiangzhong has launched the public welfare campaign for health of digestive system in China, holding 15 health lectures and online live broadcasts by expert, arousing awareness 15 million people's awareness to intestinal health.

CR Health brought the exciting possibility of a healthy lifestyle to people across the country through voluntary clinic activities. In 2021, it organized 820 community voluntary clinic activities, benefiting 72,418 people. Huaibei Miners General Hospital conducted remote consultation, public education and trainings, and sent experts to Duji People's Hospital for medical services. In 2021, it treated more than 3,300 outpatients and 850 inpatients, carried out more than 20 surgeries, 60 consultations, held 6 expert lectures, and trained more than 100 medical staff.

CR Pharmaceutical Healthy Village Program

Cooperating with China Women's Development Foundation, CR Pharmaceutical launched the Healthy Village Program with the theme of "Boosting Primary-Level Medical Services and Supporting Rural Revitalization". Diversified education methods both online and offline, hardware and software construction were applied to consolidate progress on health and poverty alleviation centering around the "five-sphere integrated" strategic goal, strategic targets, serving as an important driver of the "Healthy China" rural revitalization strategy.

Setting Up an Expert Training Team to Guide Primary Doctors

The team consists of well-known experts and academic leaders in China, including 15 chairmen/vice chairmen and more than 70 members of national academic associations.

Developing a Systematic Training Program for Rural Primary Doctors

Standard training courses catering primary doctors were developed, and 197 online training sessions were conducted, benefiting more than 2.3 million primary doctors.

Building an Interconnected and Sustainable Learning Platform

The CR Healthy Village Learning Platform was set up to promote the development of "Internet + Healthcare" by information-based means.

Developing a Series of Practical Technical Training Models for Rural Doctors

In Ningxia, Yunnan, Shaanxi and Fujian, four sessions of free clinical consultation training for rural doctors were carried out, involving more than 200 village doctors and 2,500 villagers.

Under CR Pharmaceutical's support, 13 village clinics were established in Hubei, Guizhou, Ningxia, Shaanxi, Fujian; Ninghua; and Gansu.

Rounds of medicine and equipment donations took place in 17 counties and cities, including Hong'an, Hubei; Zunyi, Guizhou; Qingliu, Mingxi, Taining, Fujian; Zhengzhou, Henan; with a total value of more than RMB 4.55 million.

Exploring a "One-to-One" Support Model for County-level Hospitals

CR Pharmaceutical provided in-depth assistance for medical centers such as Fuwai Hospital of Chinese Academy of Medical Sciences, Beijing Chaoyang Hospital affiliated to Capital Medical University, and Beijing Obstetrics and Gynecology Hospital affiliated to Capital Medical University; and provincial hospitals such as CR Wugang General Hospital and Ningxia People's Hospital; county-level hospitals such as Hong'an County Soviet Area Hospital, Haiyuan County People's Hospital, and Qingliu County People's Hospital.

Supporting the Development of Community Education

In 2021, CR C'estbon donated 5 rural public libraries in Bijie (Guizhou), Guangchang (Jiangxi), Qingliu (Fujian), and Zhangbei (Hebei), with a total donation of more than 6,500 books, benefiting more than 3,500 rural children.

"One Hundred Library Project" Return Visits

In July 2021, on the occasion of the 100th anniversary of the founding of the Communist Party of China, representatives of CR C'estbon employees gathered from all over the country to the CR Hope Town in Haiyuan (Ningxia), to jointly carry out the "One Hundred Library Project" return visits. During the activity, C'estbon donated learning supplies to dozens of children in kindergartens, including 100 customized schoolbags, nearly 100 children's books themed on CPC history, and dozens of sets of sports equipment, etc. to promote the all-round development of children.

CR Vanguard launched the "Beautiful Mobile Classroom" project to introduce modern art education into rural campuses through standardized and systematic rural aesthetic education actions. By the end of 2021, 8 art classrooms have been donated in rural schools in Longlin (Guangxi), Nyingchi (Tibet); and Bijie (Guizhou).

Vanguard team of the CR Gas' party members mobilized their members to make donations to support education and provide psychological counseling for young people, providing young people with assistance in career planning and solving their practical difficulties.

The year 2021 was the 24th year for CR Sanjiu Ya'an to carry out educational assistance. The company has donated a total of 8 Sanjiu Hope Primary Schools and offered RMB 200,000 of scholarships every year, benefiting more than 30,000 teachers and students.

In 2021, CR Cement held the second "Runxin Children's Walk Competition" charity cloud race. 2,900 employees participated in the event and donated RMB 100,000 to underprivileged primary schools to buy smart blackboards and school uniforms for students.

CR Chemical Materials encouraged its employees to participate in educational activities. Since 2015, Xutang Middle School in Xinbei District of Changzhou has established a scholarship, which has helped 236 underprivileged students complete their studies for 6 years. In 2021, it donated RMB10,000 of scholarship to help 40 students.

CR Vanguard "Beautiful Mobile Classroom" volunteers teaching in schools



Supporting the Overall Revitalization of Communities

CRH and its subordinate units took multiple measures to support communities and industries to revitalize talents, culture and ecology.

Industry and Talent Revitalization for Communities:

By improving the job skills of residents and creating job opportunities for the communities, CR Pharma helped the residents find jobs locally or in nearby regions. In 2021, through the "company + cooperative + farmer" mode, CR Sanjiu taught the local people the planting technology of TCM herbs. A total area of 60,000 mu TCM herbs were planted, the value of which exceeded RMB 100 million, increasing income of 2,000 farmers. CR Jiangzhong provided designated assistance for Baidu Village in Liangfang Town, Lianhua County, and formulated the 2021-2023 Rural Revitalization Plan of Baidu Village. It donated RMB 800,000 to help the village develop medicinal herb planting, infrastructure construction, and agricultural and sideline product sales, so as to promote the village's collective economic income and drive industry and talent revitalization.

Cultural Revitalization for Communities:

In 2021, CR Bank pioneered the "Sports + Finance" community culture model, sponsoring Zhuhai CR Bank Cup Gateball Competition and square dance charity training to help revitalize community culture. More than 1,500 square dance fans participated in the CR Bank Cup 2021 - "Join in on the square dance with CRH". At the end, 15 teams of more than 200 participants qualified for the finals, promoting the concept of national fitness in Zhuhai.

Ecological Revitalization for Communities:

The local Chen family were born in the Yuxi Village in Longtan Town, Yongding District, Longyan, Fujian. There were more than 10 aggregated Fujian tulou (a local traditional building) in the village with a history of more than 100 years, most of which were in disrepair. After learning about the situation, Yongding Cement took the initiative to protect these world's cultural treasures after communicating with the local government. It systematically analyzed the damage of more than 10 tulous and carried out repairment step by step, which greatly improved the local environment.



修缮后的永定区龙潭镇虞溪村土楼

Responsibility Management

Responsibility Stems from Missions
Responsibility Leads to the Future



CRH has marched through 84 years of glory and dreams, and fulfilling social responsibilities is a mission deep-rooted in its "gene". With its expanding business scale and mounting performance, the social responsibilities shouldered by CRH has raised to a higher level. Facing the new opportunities and challenges, CRH has upgraded its social responsibility work with a consistent sense of responsibility to further improve its social responsibility ecosystem and facilitate its high-quality and sustainable development.

Responsibility Concept

Led by its corporate missions, CRH defined six areas for fulfilling social responsibilities based on the expectations and demands of stakeholders closely related to business development, and then developed the social responsibility concept.

Be responsible to shareholders		To fulfill economic responsibility, to kick off a new start in CRH's value creation, and to march towards a world-class enterprise.
Be responsible to employees		To fulfill employer responsibility, To kick off a new start to build a people-oriented CRH, and to achieve continued growth.
Be responsible to customers		To fulfill customer responsibility, to kick off new start to serve for customer's satisfaction and trust, and to win it with full heart.
Be responsible to environment		To fulfill environmental responsibility, to kick off a new start to deliver a green CRH, and to construct a green ecological civilization.
Be responsible to partners		To fulfill partner responsibility, to kick off a new start to achieve win-win cooperation, and to make new grounds for common development.
Be responsible to the public		To fulfill public responsibility, to kick off a new start to foster a harmonious CRH, and to boost a coordinated society.

Establishing Responsibility Organizations

Social Responsibility Leading Organization and Working Mechanism

The Group further strengthened its social responsibility management organizational structure and the up-and-down linkage work system, i.e. a social responsibility management organizational structure with its General Office as the governor, the Social Responsibility Department of the Office as the daily coordinator, and all other departments as implementer in professional fields, and created a social responsibility team for the Group, by supervising and guiding business units to prepare social responsibility reports/sustainability reports, organizing the selection of the Group's social responsibility awards, and participating in social responsibility theoretical research and industry exchanges with business units, etc. Meanwhile, these initiatives urged each department to clarify its own key responsibility issues and each business unit to clarify its own responsibility objectives.

Social Responsibility Management Organizational Structure of the Group

Governor	General Office of CRH		
Daily coordinator	Social Responsibility Department of the Office		
Implementer	Strategic Management Dept.	Human Resources Dept.	Finance Dept.
	Internal Audit Dept.	Supervision Dept.	Legal and Compliance Dept.
	Smart & Information Technology Dept.	Environmental Health and Safety Dept.	Mass Work Dept.
	Inspection Office	Technology Innovation Dept.	CR Learning and Innovation Center
Function matching	Consumer products	Integrated energy	Urban construction and operation
	Healthcare	Industrial finance	Technology and emerging sectors

Promotional Efforts from Senior Management

The Board of Directors and members of the leadership team of CRH attach great importance to the social responsibility work. The members of the Group's Rural Revitalization Leading Group and Rural Revitalization Office have visited the designated support and counterpart counties and Hope Towns for many times.



In October 2021, Chairman Wang Xiangming and his delegation conducted field research in Guangchang County, Jiangxi Province.

Responsibility Integration

Taking fulfilling social responsibilities as the internal driving force for sustainable development, CRH further strengthened its social responsibility management organizational structure and the up-and-down linkage work system and initially promoted the inward integration of social responsibility work, by supervising and guiding the Group and its business units to prepare social responsibility reports/sustainability reports, organizing the selection of the Group's social responsibility awards, and participating in social responsibility theoretical research and industry exchanges with business units, etc.

On this basis, CRH has integrated social responsibility into its brand and culture, achieving the top-level integration of social responsibility with corporate culture and corporate brand. We also improved the social responsibility indicator system and integrated responsibility indicators into functional management, integrating the responsibility management processes.

Developing Responsibility Capacity

Organizing Social Responsibility Training



Social Responsibility Work Conference and CR Hope Town Symposium

On May 13, 2022, the Group held the social responsibility work conference and CR Hope Town symposium. Mr. Li Jun, Director of the Social Responsibility Bureau of SASAC, attended the conference in Beijing, while the Group leaders, including Mr. Wang Xiangming, Mr. Wang Cuijun, Mr. Pan Fu, Mr. Wang Chuandong, Mr. Wang Chuncheng and Mr. Han Yuewei, as well as external directors, and the heads of departments, business units and subordinate organizations of the Group attended the conference in Huizhou and Hong Kong, with the persons in charge of social responsibility work of all units attending the conference online.

At the conference, Peng Huagang, member of the Party Committee and Secretary General of SASAC, fully affirmed the effectiveness of the Group's social responsibility work in recent years in his video message and put forward four new requirements for CRH's social responsibility. Li Jun, Director of SASAC, hoped that CRH would take this conference as a new

starting point and continue to deepen and improve its work. The conference announced and deployed CRH's "14th Five-Year Plan" on social responsibility and put forward clear requirements for ESG work in six major business areas of the Group. It also explained the management methods and implementation focus of the "14th Five-Year Plan" for CRH's paired assistance and counterpart support, summarized the construction status and experience of CRH Hope Towns in the past 14 years, and proposed the construction ideas and upgrading direction of CRH Hope Towns in the "14th Five-Year Plan" period.

The conference further clarified the key work of CSR management and practice upgrade during the 14th Five-Year Plan period and unified the understanding of each unit on the new stage of social responsibility work, which laid the foundation for the Group to upgrade social responsibility management, Hope Towns, paired assistance model, and charity undertakings in Hong Kong.

Social Responsibility Training Session of the Group

On March 23, 2022, the Group held a social responsibility training session, which was attended by social responsibility heads of all departments, business units and subordinate organizations of the Group. The session explained the policy interpretation and requirements of SASAC, analyzed how to integrate CSR and ESG work, and explained the key points and indicators for the preparation of this year's sustainability report.

Enriching Research on Responsibility Theory

In 2021, the Group participated in a number of social responsibility researches conducted by the SASAC, the Chinese Academy of Social Sciences (CASS), and GoldenBee (Beijing) Management Consulting Co., Ltd.

The Group participated in the "Research on Social Responsibility in 2021" organized by the former Science and Innovation Bureau of the SASAC and submitted the relevant results; the Group and its business units participated in the selection of excellent cases in the "Blue Book on Social Responsibility of Central Enterprises (2021)" organized by the former Science and Innovation Bureau of the SASAC, and the Group's "Building Hope Towns and Contributing to Rural Revitalization" was selected as an excellent case in the "Blue Book on Social Responsibility of Central Enterprises (2021)". CR Power's "Exploring a New Model of Wind Power to Alleviate Poverty and Creating a New Model of Rural Revitalization", CR Gas's "Preventing the Pandemic and Ensuring Supply", and CR Land's "Practicing "Lucid Waters and Green Mountains are Invaluable Assets" and Creating

a Model of Sustainable Urban Development" were selected in the "Blue Book on Environment, Society and Governance (ESG) of Listed Companies of Central Enterprises"; the Group participated in the symposium titled "Recommendations for Central Enterprises to Consolidate and Expand the Achievements of Poverty Alleviation and Rural Revitalization" of the Science and Technology Bureau of SASAC, and CRH's practices in rural revitalization and paired assistance were selected as research topics; the Group participated in the "Collection of Typical Cases of Central Enterprises Helping to Consolidate the Achievements of Poverty Eradication And Rural Revitalization" of the Science and Innovation Bureau of SASAC, and the relevant cases were selected.

Many of the Group's achievements in social responsibility management and practice have been recognized by SASAC and other higher-level authorities as well as authoritative social responsibility research institutions, which effectively enhanced its visibility and reputation in the field of social responsibility.



CSR Report Index

	Contents	CASS-CSR4.0	Page		Contents	CASS-CSR4.0	Page
About CRH	Remarks	P2.1-2.2	4	Customer Responsibility	Stories of Responsibility	M2.1-2.2	54
	CRH Profile	P4.2-4.4, G1.1-1.2	7		Concept and Vision	G2.1-2.2	56
	A Glimpse at CRH Brands	P4.2-4.3	11		Our Performance	M1.6, M2.3, M2.4-2.6, M2.18	56
	2021 Highlights	P2.2, P3.1, M1.6-1.7, A2, A3	12		Focusing on the Needs of People's Needs, Providing High-quality Products and Services for the Public	P3.1-3.2, M2.1, M2.4, M3.1	58
Economic Responsibilities	Stories of Responsibility	M1.1-1.2, S1.4	16		Higher Standard Quality Management System	M2.2	62
	Concept and Vision	G2.1-2.2	18		More Strict Anti-counterfeit Publicity and Potential Risk Warning	M2.8	64
	Our Performance	M1.3-1.4, M1.6-M1.8, S1.3	18		Fair Trading	M2.11	64
	Securing a Decisive Victory in the Three-year Action for SOEs Reform	S1.4	20		Better Privacy Protection	M2.13	65
	Improving Corporate Governance	M1.1-1.2	21		More Specialized Product Knowledge Publicity	M2.9	66
		M1.1	22		Better After-sales Service	M2.14-2.17	66
	Serving National Strategies	M3.4, M3.6, E2.24, S4.5, S4.12	23		Advocating Sustainable Consumption	M2.12	69
	Driving High-quality Development	M1.6, M2.4, M3.4	24		Improving Customer Satisfaction	M2.18	70
	Strengthening Anti-corruption and Integrity	M1.3	26		Driven by Innovation, Empowering a Better Life	M2.4-2.7	70
	Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Minority Investors	M1.4-1.5	28		Commitment and Performance	G2.2	75
	Strengthening Risk Prevention Capabilities	S1.1	30	Environmental Responsibilities	Stories of Responsibility	E1.3, E2.12, E2.24-2.25	78
	Commitment and Performance	G2.2	31		Concept and Vision	G2.1-2.2	80
Employee Responsibility	Stories of Responsibility	S2.11-2.14, S2.17-2.18	34		Our Performance	E1.8, E2.5, E2.9, E2.12, E2.25	80
	Concept and Vision	G2.1-2.2	36		Improving the Environmental Management System	E1.1-1.3, E1.5, E1.9	82
	Our Performance	S2.1, S2.3, S2.5, S2.9, S2.15, S2.20	36		Developing Clean Energy	E2.6-2.7	84
	Protecting Employees' Rights and Interests in an All-Round Way	S2.2, S2.6-2.8	38		Optimizing Industrial Structure and Capacity Distribution	E1.7, E2.2-2.3	85
	Improving the Remuneration and Benefit System	S2.9-2.11	40		Reducing Emissions of Waste Water, Waste Residue and Waste Gas	E2.11-2.17	86
	Promoting Democratic Management	S2.4	42		Implementing the "Carbon Peaking and Carbon Neutrality" Strategy	E1.9-1.10, E2.23-2.25	88
	Creating Equal Job Opportunities	S2.2, S2.8	43		Developing Green Buildings	E2.1	90
	Attaching Great Importance to the Occupational Health of Employees	S2.11-2.12	44		Protecting Biodiversity	E1.12, E3.4-3.5	91
	Unblocking Career Development Channels	S2.16	45		Growing the Scale of Environmental Protection Industries	E1.7	92
	Improving the Employee Training System	S2.14-2.15	47		Building a Green Supply Chain	E1.6, E2.20, E2.22-2.23	92
	Caring for Employees	S2.11, S2.13, S2.17-2.18	49		Carrying Out Environmental Protection Charity Activities	E3.3, E3.6	93
	Commitment and Performance	G2.2	51		Promoting Green Office	E3.1-3.2	94
					Commitment and Performance	G2.2	95

