

 China Resources (Holdings) Co., Ltd.

 Sustainability Report | 2023

To Accelerate the Building of a World-class Enterprise

CHINA RESOURCES (HOLDINGS) CO., LTD.

SUSTAINABILITY REPORT

2023

Heading towards the "Newness"

The year 2023 is the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China (CPC), a critical year for the implementation of the "14th Five-Year Plan", and an important historical milestone for the 85th anniversary of the founding of China Resources (Holdings) Co., Ltd. (CRH or the Group) and the 40th anniversary of the establishment of CRH.

Over the past 85 years, generation after generation, the CRH people have responded to the nations and era's demands, fulfilling their corporate responsibilities, and perpetuating the red legacy from one generation to the next. As a red state-owned enterprise, only by closely aligning ourselves with the needs of the Party and the country and bearing in mind the monumental mission of the country, can we boldly advance through the history despite the challenges.

This is the 17th consecutive year that CRH has published a sustainability report, and it is also CRH's most sincere and proactive response to public concerns. In this new era and new journey, we will stay true to our founding mission, focus on "people's livelihoods" and " the pillar of a great power", nurture and create new high-quality productive forces, as well as tread the path of responsibility at a more steady, precise and improved pace, so as to infuse strong new momentum for high-quality development.



CONTENT

	About CRH		Appendix
4	Message from the Chairman	158	About the Report
7	CRH Profile	159	Key Performance Indicators (KPI) for 2021-2023
10	A Glimpse at CRH Brands	160	ESG Key Indicators Index
12	2023 Highlights	163	Rating Report
		164	Readers' Feedback

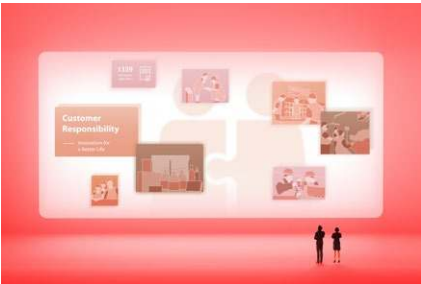


14	Economic Responsibility		New, World-Class Empowerment
16	Story I A New Narrative in the "New Quality" Era	25	Seeking Progress while Maintaining Stability and Empowering High-quality Development
18	Concept and Vision	28	Strengthening Anti-corruption Supervision and Strictly Adhering to the Bottom Line of High-quality Development
18	Results	29	Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Small and Medium-sized Investors
19	Implementing the "1246" Model and Integrating "Dual Core and One Force"	30	Improving the Risk Management Mechanism and Significantly Enhancing Risk Prevention and Resolution Capabilities
21	Improving Corporate Governance and Improving Management Efficiency	31	Commitment and Performance
23	Serving the National Strategy and Keeping in Mind the Greatness of the Country		

32	Employee Responsibility		Unity, Achieving an Extraordinary Life
34	Story II Pillar of the New Era in the Country	46	More in-depth Grassroots Democratic Management
36	Concept and Vision	47	More Robust Occupational Health Management
36	Results	49	Commitment and Performance
37	More Multi-dimensional Employee Rights and Interests Protection		
42	More Attitudinal Employee Growth System		
44	A Warmer Employee Care Mechanism		



	Customer Responsibility		Innovation for a Better Life
50	Story III "Blue Flame Guardians" Guard All the Way	65	Promoting Sustainable Consumption and Adhering to Sustainable Development
54	Concept and Vision	67	Protecting Consumer Rights and Interests and Building a Strong Consumer "Firewall"
54	Results	70	Optimizing Top-level Design and Continuously Improving Customer Satisfaction
55	Focusing on "People's Livelihoods" and "the Pillar of a Great Power" to Provide the Public with High-quality Products and Services	73	Driven by Innovation, Leading New Development Momentum
62	Creating a Higher Standard Quality Control System and Enhancing Core Competitiveness	75	Commitment and Performance



76	Environmental Responsibility		Protecting and Fulfilling the Dual Carbon Commitment
78	Story IV "Green Electricity" Empowers Rural Revitalization	89	Promoting Green Transformation of Industries
80	Concept and Vision	90	Protecting Biodiversity
80	Results	91	Strong Support for the Development of Environmental Protection Industries
82	Improving the Ecological Environment Protection Management System	91	Promoting Green and Low-carbon Production and Lifestyle
85	Accelerating the Promotion of Green and High-quality Development	92	Carbon Management
87	Carrying out In-depth Battle against Pollution	93	Green Management
		95	Green Operation
		101	Commitment and Performance



	Partner Responsibility		Making Progress Together and Creating a Healthy Ecology
102	Story V "Continuing the Wheat's Legacy, Brewing a Shared Excellence"	110	Deepening Fair Trade
104	Concept and Vision	112	Refining Supply System
106	Results	115	Optimizing Media Relations
107	Strengthening Strategic Cooperation	117	Commitment and Performance



118	Public Responsibility		Companion Brings Positive Change
120	Story VI People's Livelihood, a Place to Live	127	Strengthening the Required Actions and Implementing the Supporting Tasks
122	Concept and Vision	132	Innovative Projects to Tap into Potential and Fulfill Responsibilities
122	Results	134	Constructing Hope Villages to Facilitate Rural Revitalisation
123	Cultivating the Gene of Love for Hong Kong and Integrating into the Development of the SAR	137	Responding to Community Demands and Supporting Home Building
126	Coordinating Public Welfare Resources and Acting as a Corporate Citizen	141	Strict Production Safety to Safeguard the Public
		143	Commitment and Performance



	Responsibility Management		
144	Responsibility Concept		
146	Responsibility Strategy		
147	Responsibility Model		
148	Establishing Organizations with Responsibility		
149	Developing Responsibility Capacity		
152	Building a Responsible Brand		
153	Responsibility Assessment		
155	Identifying Responsibility Issues and Responding to the Demands of Stakeholders		
156			





Wang Xiangming Party Secretary, Chairman

Message from the Chairman

Leveraging ESG as a Vehicle to Accelerate the Building of a World-Class Enterprise

The year 2023 marks the beginning of the full embodiment of the spirit of the 20th National Congress of the CPC, and is also a pivotal year for executing the "14th Five-Year Plan". Embracing the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group remained resolute in executing the directives of the CPC Central Committee, the State Council, and the State-owned Assets Supervision and Administration Commission (SASAC), while steadfastly focusing on high-quality development as its primary objective. Upholding the principle of seeking progress amidst stability, the Group intensified efforts towards deeper and more practical advancements through the promotion of the "four reshapes". At the important historical juncture of the 85th anniversary of CRH's founding and the 40th anniversary of the Group's establishment, the Group delivered excellent results and took solid steps towards a brighter future with enhanced stability, precision and excellence.

The report of the 20th National Congress of the Communist Party of China (CPC) emphasized the imperative to "accelerate the construction of a new development paradigm, strive for high-quality development" and "enhance the core competitiveness of enterprises". At the 24th meeting of the Central Committee for Comprehensively Deepening Reform, General Secretary Xi Jinping emphasized the need to "Expedite the cultivation of a group of world-class enterprises distinguished by exceptional products, renowned brands, leading innovation and modern governance". ESG provides us with a valuable perspective and entry point on how to build world-class enterprises. As an investment concept that prioritizes on the enterprises' comprehensive performance in ESG rather than solely financial performance, ESG aligns closely with the goals of modernization such as "dual carbon", modern governance practices, coordinated regional development, building world-class enterprises and a community with a shared destiny for mankind, etc. It represents an advanced perspective on enterprise development in line with the new

development stage and new development concept, and advocates that enterprises should not only pay attention to economic benefits, but also fulfill their civic and social responsibilities.

ESG is not only about short-term growth, but also about sustainable growth. This concept of sustainable development fully meets the basic requirements for building world-class enterprises, and is conducive to guiding enterprises to realize the unity of economic, social and ecological benefits, and to promote economic transformation and innovative growth. ESG has become a new "yardstick" for measuring the ability of enterprises to achieve sustainable development. As a central state-owned enterprise, it should take the lead in promoting the localization of ESG concepts.

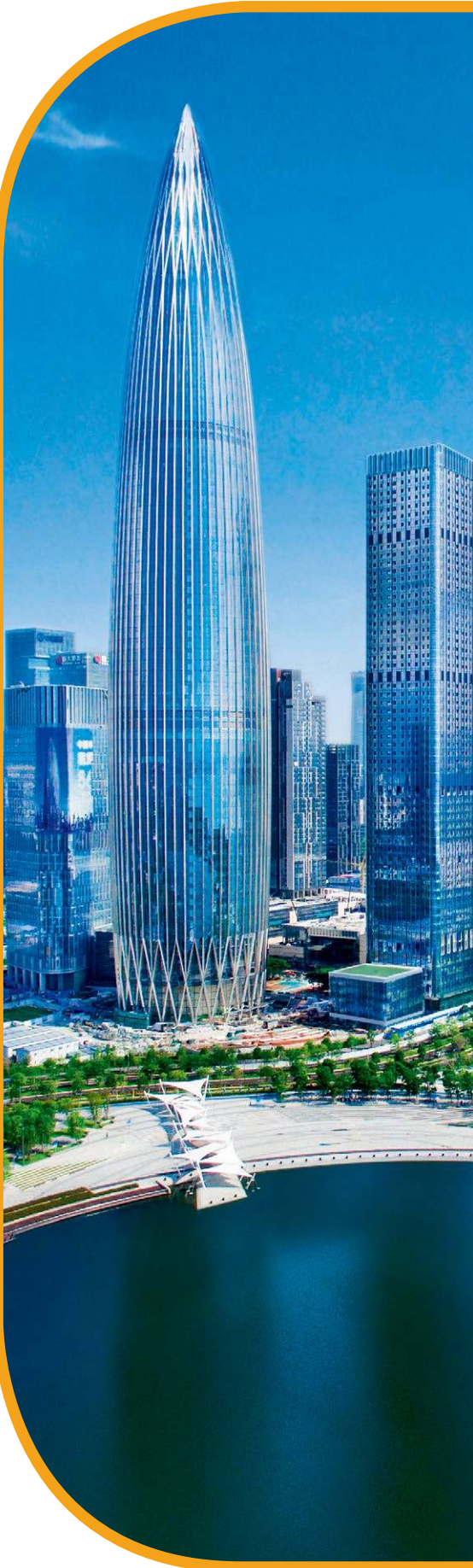
As a diversified industrial group focusing on people's livelihood, CRH is a central state-owned enterprise in Hong Kong with a special mission. It is also one of the first batch of state-owned capital investment companies set up during the state-owned enterprise reform, as well as a demonstration enterprise striving to become a world-class enterprise. Striving for excellence in ESG is not only a proactive strategic choice, but also an intrinsic requirement in our pursuit of sustainable development, and a responsibility to take the road of modernization and high-quality development of people's livelihood enterprises in the Chinese style. In recent years, with years of practice in the field of social responsibility, CRH has launched a high-quality exploration of social responsibility and ESG management and practice. In my opinion, CRH's corporate social responsibility and ESG have the following characteristics:

First, we are committed to being a pioneer in social responsibility and ESG governance through a systematic approach. CRH continues to follow the logic of "Group + business units + three levels of subsidiaries" to penetrate all levels of the organization from top to bottom. With the compilation of sustainability reports and social responsibility awards as a key tool, the Group actively promotes the fulfilment of responsibilities by the subordinate units, with a view to rhythmically and systematically realizing the goal of "playing a holistic approach" to the Group's social responsibility and ESG work. On the basis of our social responsibility work, we have further upgraded our ESG top-level design, established a comprehensive ESG organization system, regularly compiled medium- and long-term plans in the ESG area, and continuously strengthened the disclosure of sustainability information. The Group has achieved a three-tier coverage of the compilation of system-wide sustainability reports for many years in a row, and has carried out assessments and evaluations with hard work, thus promoting social responsibility and ESG work

as an integral part of the Company's daily management and business operations. The Group's "mission-led" social responsibility management model has been continuously improved, and the completeness and sustainability of the social responsibility management system has been fully recognized by stakeholders.

Second, we continue to innovate and strive to become a social responsibility and ESG value creator. CRH is problem-oriented, promotes work platform innovation, and has developed a digital platform for the Group's social responsibility, effectively realizing the standardized accumulation and intelligent display of basic data on the Group's social responsibility and ESG work; we have taken responsibility research as a driving force, participated in the formulation of ESG standards in a targeted manner, and taken the initiative to develop the "1+N" social responsibility system that showcased CRH's diversified responsibility fulfilment characteristics, and used indicator management as a means to promote "Responsibility+". We have innovatively published a social responsibility brand tree, and have developed guidelines for the construction of a demonstration base for social responsibility on this basis, with a view to further deepening the construction of a responsible brand and empowering the value of the "CRH" brand. We continued to explore and optimize the "four-in-one" working model of corporate culture, public opinion monitoring, risk management and social responsibility. Through the organic connection of different aspects of corporate management, we hope that a working system of mutual restraint and supervision will be formed to provide protection for sustainable development.

Third, we have always adhered to the principle of "capitalizing on CRH's strengths and responding to the needs of the country" in fulfilling our responsibilities. We have been determined to move forward to develop new quality of productivity for the country and serve the people, adding strong new impetus to the cause of "one country, two systems", we strived to become a builder of social responsibility and an ESG ecosystem with Chinese characteristics. As a Chinese enterprise in Hong Kong with a special mission, we firmly adhere to the principle of "one country" and make good use of the advantages of "two systems" to help Hong Kong and the Mainland better integrate and develop through continuous enhancement of cultural integration and public welfare and charity work. At present, we have focused on the education, employment, entrepreneurship and home ownership of young people in Hong Kong, and have continued to launch the "Strive and Rise Programme" and "Beyond Dreams" I&T Talent Nurturing Programme to nurture scientific and creative talents. We will also leverage Hong Kong's position as a "super-connector" to make greater contributions to the "Belt and Road" Initiative and the development of the Greater Bay Area in



Guangdong, Hong Kong and Macao. CRH's main business covers six areas, namely consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors, all of which are closely related to people's lives and their well-being. Combined with the characteristics of our business, we have continued to carry out our responsibilities in our branches, such as the rapid response mechanism for public welfare in disaster relief for CR Beverage, the demonstration area for revitalization of villages along the Yangtze River Economic Belt in Chibi of CR Power, the upgrading project for urban pipelines of CR Gas, CR Land's multi-storey protected rental housing "Youtha Suites" apartment project, CR Pharmaceutical's healthy village project, and CR Sanjiu's project of upgrading Chinese medicine agriculture through standardized cultivation of Chinese medicinal herbs. In particular, we have made an all-out effort to continue to build CRH's Hope Town and CRH's Hope Village, forming a brand of rural revitalization with "18 Hope Towns + 11 Hope Villages", which has consolidated and expanded the achievements of the poverty alleviation and continued the revitalization of villages. The "Hope Series" has also become an eye-catching business card showcasing CRH's image. These influential brands of responsibility fulfilment have effectively promoted the integration of the enterprise's own business with social responsibility and ESG issues, Revise to "they are also" vivid practices and in-depth explorations of CRH's efforts to promote green development, proactively serve the country's major regional strategies, and the strategy of coordinated regional development, the strategy of rural revitalization, and the cause of serving people's livelihoods.

This year is a year of moving towards the "newness". Under the new development pattern, the Guiding Opinions on High-standard Fulfilment of Social Responsibilities by Centralized Enterprises in the New Era issued by the Bureau of Social Responsibility of the SASAC of the State Council has pointed out how to accelerate the development of new-quality productivity and further promote high-quality development of enterprises by central state-owned enterprises.

In this new era and new journey, CRH will take a more leading role and adopt a more solid approach to promote the ESG construction of its business units, especially listed companies, to a new level. First, we will deepen our understanding of the strategic value of ESG work. We will further unify our thinking, raise our awareness and think systematically, put social responsibility and ESG-related requirements at the forefront, incorporate risk identification and opportunity analysis into strategy formulation and

management processes, and contribute to the building of a common destiny for mankind as a "global corporate citizen". Second, we will continue to work on the ESG top-level design, improve the ESG organization system comprising the leadership, management and executive levels, and clearly identify the responsible parties; at the same time, we will practically establish a "+" consciousness and a "big" self-consciousness in the integration of functions and management, and promote the development of a large party building, culture, social responsibility, supervision and production operations, so as to ensure a higher political stance, a wider coverage of conceptual requirements, a deeper penetration of work requirements into the grassroots enterprises, a better overall organizational atmosphere, and safeguard the realization of sustainable development. Third, we insist on highlighting our characteristics, connect with the international community and take the initiative. In fulfilling our social responsibilities and developing ESG work, we will emphasize the characteristics of CRH, the characteristics of the industry and our own characteristics, actively learning from advanced international concepts and practices, and actively benchmarking ourselves against the international mainstream in terms of sustainability information disclosure, rules and regulations, and so on. The fourth is to use ESG as a medium to accelerate the cultivation of new quality productive forces. We will think strategically and position our ESG work, focus on our core Revise to "businesses", integrate advantageous resources, and create unique practices to cultivate endogenous dynamics, so as to identify new strategic opportunities, form new competitive advantages, promote innovation in products and technologies, management processes, and business models, redefine the growth mode of the enterprise, and gain momentum for higher-quality and more sustainable development.

As a red state-owned enterprise founded by the Party in Hong Kong in 1938, CRH was born out of the Party, started its business with the Party, and became stronger with the Party. The red gene has always been the spiritual underpinning of CRH, and it is CRH's corporate DNA to "set our heart for the great rejuvenation of the Chinese nation, create a happy life for the people, and realize the national economic prosperity". Looking to the future, we will always bear in mind our original mission, fully implement the new development concept, continue to promote high-quality development, and accelerate the construction of world-class enterprises. We will also promote the fulfilment of the social responsibility of state-owned enterprises in the new era, carry out ESG work on a high standard, and create more social value!

CR 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

Scale and Strength



A total asset of CRH of RMB 2,605.13 billion



The 74th ranking in Fortune Global 500 in 2023



8 Hong Kong listed subsidiaries and 9 subsidiaries listed in the mainland, among which, CR Land, CR Beer, CR Mixc Lifestyle and CR Power are all Hang Seng Index constituents

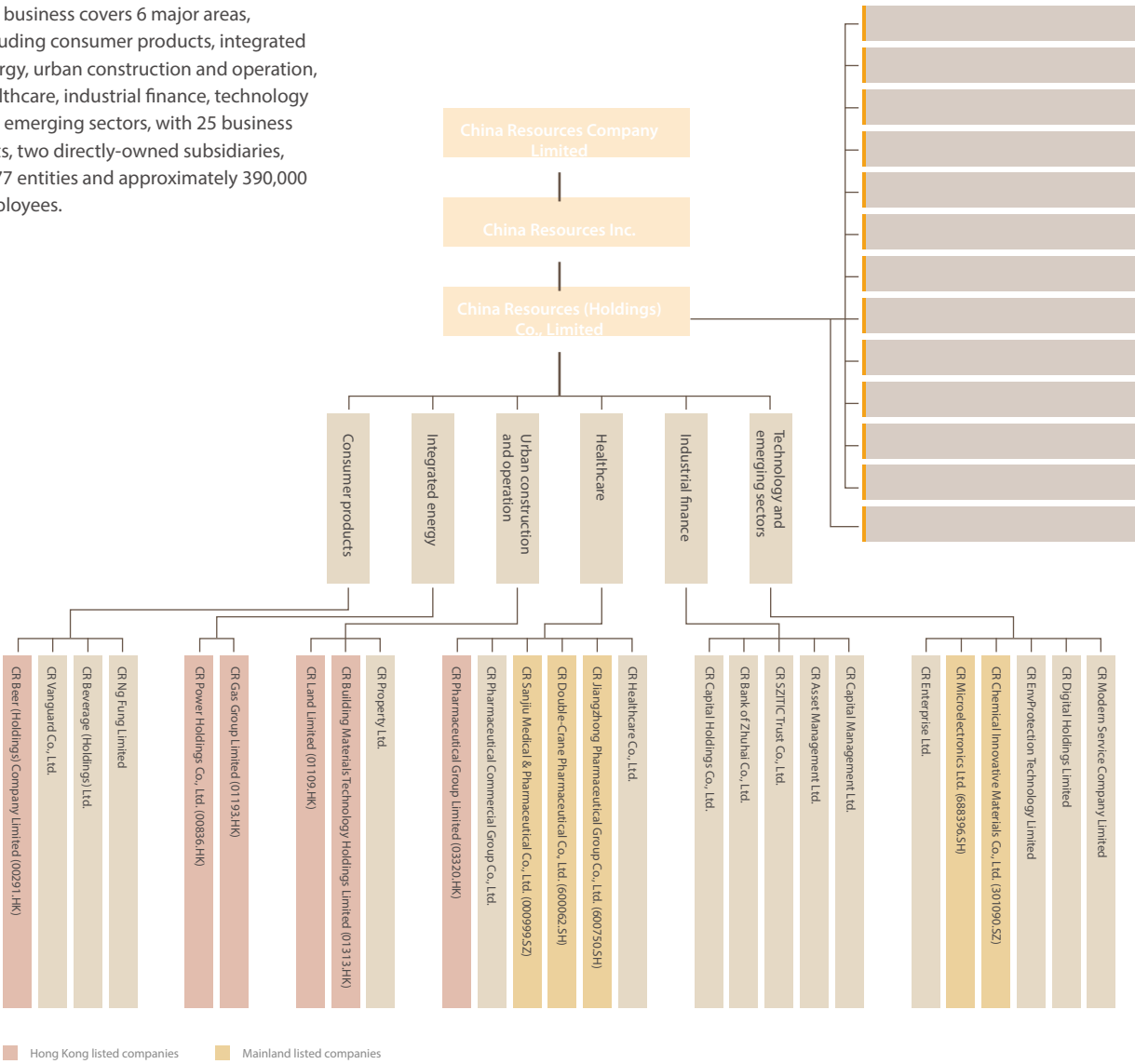
Important Moments

8540

CRH was founded in 1938. 2023 marks the 85th anniversary of the founding of CRH and the 40th anniversary of the founding of China Resources Group

Corporate Structure

Our business covers 6 major areas, including consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors, with 25 business units, two directly-owned subsidiaries, 3,077 entities and approximately 390,000 employees.



Governance Structure

8 Hong Kong listed companies

- CR Beer (00291.HK)
- CR Power (00836.HK)
- CR Land (01109.HK)
- CR Building Materials Tech(01313.HK)
- CR Gas (01193.HK)
- CR Pharma (03320.HK)
- CR Medical (01515.HK)
- CR Mixc Lifestyle (01209.HK)

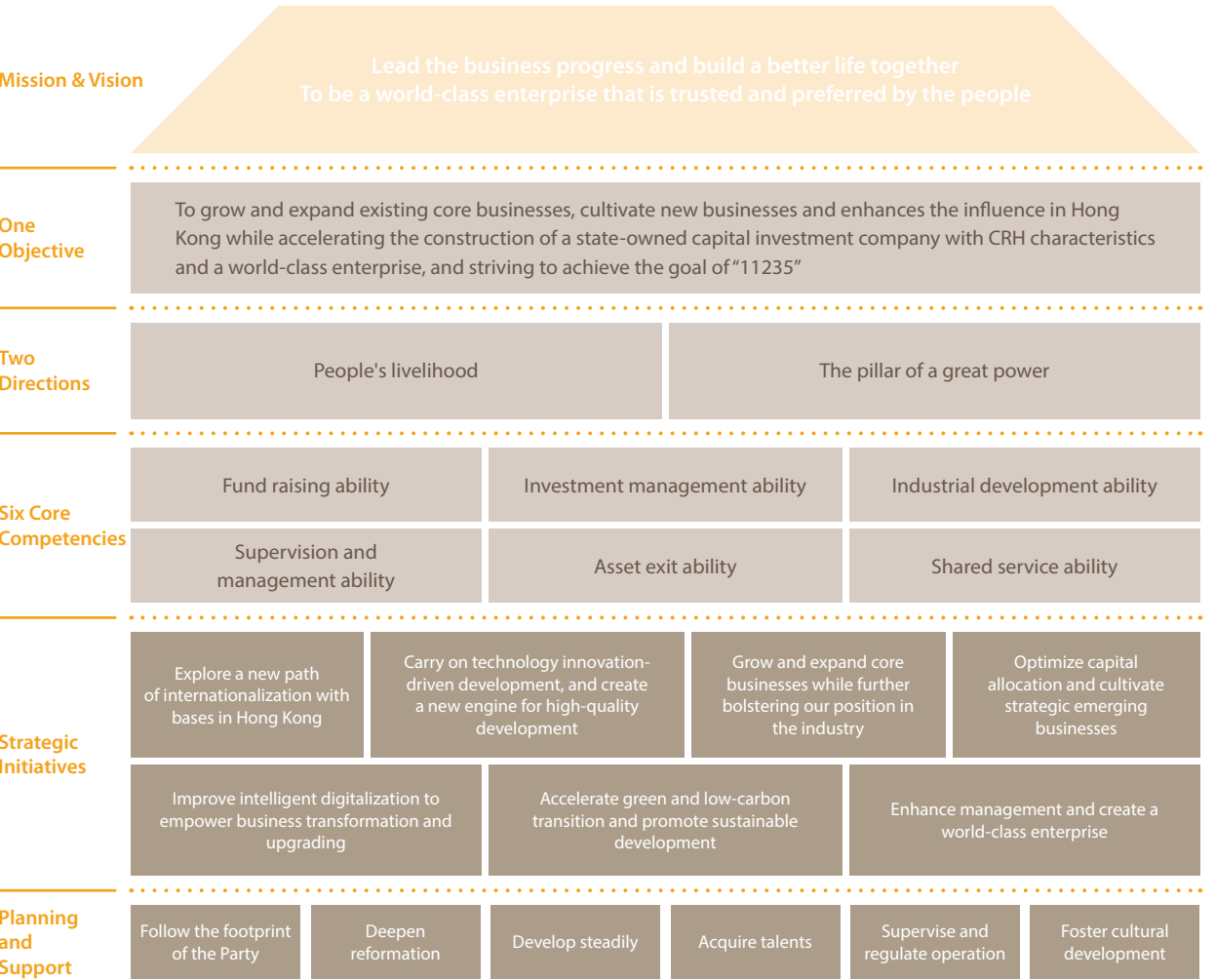
9 Mainland listed companies

- CR Sanjiu (000999.SZ)
- CR Double-Crane (60062.SH)
- CR Jiangzhong (600750.SH)
- CR Micro (688396.SH)
- CR Chem-Mat (301090.SZ)
- Boya-Bio (300294.SZ)
- Dong-E-E-Jiao (000423.SZ)
- KPC (600422.SH)
- Chongqing Gas (600917.SH)

Our Culture under the "14th Five-Year Plan"



Our Development Strategies under the "14th Five-Year Plan"



Brands Showcase



華潤啤酒 CR BEER

華潤飲料 CR BEVERAGE

華潤五豐 CR NG FUNG



華潤電力 CR POWER



華潤隆地 CR LONGDATON



華潤建材科技 CR BLDG MATERIALS TECH



華潤健康 CR HEALTHCARE



華潤金融 CR CAPITAL



華潤微電子 CR MICRO



華潤化學材料 CR CHEM-MAT



華潤數科 CR DIGITAL



華潤燃氣 CR GAS

華潤置地 CR LAND

華潤萬象生活 CR MIXC LIFESTYLE

萬象服務 MIXC SERVICE

mix 萬象城

mix 萬象匯

mix 萬象天地

mix 萬象影城

萬象生活 CR MIXC LIFESTYLE

悅府

悅府

Youtha 有巢

ENJOY AGES 悅年華

MUMIAN 本城花園

華潤醫藥 CR PHARMA

華潤醫藥商業 CR PHARMA COMM

999 為家專注 為家守護

雙鶴藥業

江中

東阿阿膠

博雅生物 BOYA-BIO

紫竹藥業

華潤堂

潤藥商城

德信行

德信行

德信行

華潤資產 CR ASSET

華潤資本 CR CAPITAL MGMT

華潤資本

華潤資本

華潤資本

華潤資本

華潤資本

華潤資本

華潤創業 CR ENTERPRISE

華潤創業

sugar+

糖

糖

糖

糖

糖

華潤環保 CR ENV PROTECTION

華潤環保

華潤環保

華潤環保

華潤環保

華潤環保

華潤環保

華潤環保

華潤現代服務 CR CORPORATE SERVICE

華潤現代服務

華潤現代服務

華潤現代服務

華潤現代服務

華潤現代服務

華潤現代服務

華潤現代服務

2023 Highlights

Ten Major Events

 CRH was formally included in the list of world-class demonstration enterprises, becoming one of the four enterprises among the central state-owned enterprises that are both state-owned capital investment companies and world-class demonstration enterprises.

 CRH ranked 74th among the "Fortune Global 500" in 2023, ranked 23rd among the "Top 500 Chinese Enterprises" in 2023; ranked 62nd among the "Top 500 Global Brands" in 2023, and ranked 6th among "China's 500 Most Valuable Brands" in 2024.

 CRH held the Traditional Chinese Medicine Industry Chain Sharing Action and the High-Quality Development Salon of the Traditional Chinese Medicine Industry, striving to create an innovative and industrial ecosystem with efficient operation and complementary advantages.

 On 18 January 2023, China Resources Research Institute of Science and Technology officially opened. It focuses on life and health, intelligence and digitalization, and new materials, which effectively help Hong Kong to become an international innovation hub. On 24 June 2024, a total of 250 projects were selected for the 2023 National Science and Technology Awards, and CRH was awarded three second-class awards of the National Award for Progress in Science and Technology.

 In the summer and fall of 2023, the Chengdu FISU World University Games and Hangzhou Asian Games were held one after another. Various key business units of the CRH actively implemented facilities maintenance, operation support, hospitality services and supplies to ensure the successful organization of the events.

 To celebrate the 85th anniversary of the founding of CRH and the 40th anniversary of the establishment of China Resources Group, CRH organized a series of celebrations throughout the year, including honorary ceremonies, commemorative conferences, commemorative cocktail receptions, exhibitions of achievements, cultural and sports events, etc., with "85/40" as the main axle and the theme of "reshaping the future", and the first volume of "CRH History" was released.

 The "White Paper on Corporate Governance of CRH" was officially released, becoming the first special report on corporate governance voluntarily disclosed by an enterprise.

 Based on the new period of rural revitalization, CRH has taken a new and higher standard in the construction and operation of Hope Towns, and has set up and planned for the construction of six towns, including Kangle, Tonghua, Zhangbei, Alshan, Yimeng and Lufeng. The Group has also officially announced the "Hope Village" project under the "Ten Million Project", participating in rural revitalization practice in a more diversified and in-depth manner.

 On 18 December 2023, a 6.2 magnitude earthquake struck Gansu. CR Vanguard, CR Beverage, CR Power, CR Gas, CR Land and CR Pharmaceutical under the CRH immediately rushed to the disaster-stricken areas as soon as possible and carried out various rescue work.

 On 14 December 2023, the World Economic Forum (WEF) announced a new batch of members of the Global Lighthouse Network, and CR Building Materials Technology Tianyang Cement, a subsidiary of CRH, was selected as an "Advanced Fourth Industrial Revolution (4IR) Lighthouse", becoming the first "Lighthouse Factory" in the global building materials industry and the first "Lighthouse Factory" among the state-owned enterprises in the Greater Bay Area.

Key Performance

 Total asset
2,605.13
Billion (RMB)

 Revenue
893.18
Billion (RMB)

 Total profit
88.14
Billion (RMB)

 Net profit
62.15
Billion (RMB)

 Total pre-tax profit
138.64
Billion (RMB)

 Total labor productivity
587,300
(RMB)/person/year

Achievements and Awards

◆ CRH was rated as an A-level enterprise in the 2022 Business Performance Assessment of Central State-owned Enterprise Leaders.

SASAC

◆ CRH was selected as one of the top ten "China ESG Model" companies by China Media Group.

China Media Group, SASAC, All-China Federation of Industry and Commerce, Chinese Academy of Social Sciences, China Enterprise Reform and Development Society

◆ CRH's Social Responsibility Development Index ranks first among the top 300 Chinese companies and first among the top 100 state-owned enterprises for the 7th consecutive year.

Corporate Social Responsibility Blue Book (2023), Chinese Academy of Social Sciences

◆ A number of listed companies of the CRH have been selected for the 2023 "State-owned Enterprises ESG Pioneer 100 Index", including CR Power, CR Land, CR Healthcare, CR Building Materials Technology, CR Gas, CR Pharmaceutical, CR Mixc Lifestyle and CR Sanjiu. CRH has the largest number of selected enterprises as a state-owned enterprises group, of which CR Power ranked second in the index list, reaching the level of "5 star".

SASAC

◆ CRH's smart energy conservation and refined air pollution supervision projects were selected into the Ministry of Industry and Information Technology's 2023 list of typical cases for the development of the Internet of Things-enabled industry.

Ministry of Industry and Information Technology

◆ CRH was rated as an A-rated enterprise in the assessment of key tasks under the three-year action for the reform of Central State-owned Enterprises in 2022.

SASAC

◆ CRH got "good", the highest rank, for the 7th year in a row in rural revitalization.

SASAC, The National Rural Revitalization Administration

◆ CRH's 2022 Sustainability Report was given a 5-star rating for 4 consecutive years.

Chinese Expert Committee on CSR Report Rating

◆ The SASAC announced the list of winners of the 2023 Business Model Innovation Activities for Intelligent Supervision, with CRH receiving the Outstanding Organization Award and six other achievements receiving relevant application awards. Among them, "CRH State-owned Assets Supervision Innovative Application Platform" won the Excellence in Application Award. "CR Enterprise EHS Management System" and "CR Digital Electronic File Intelligence Management System" won the Exceptional Application Award. "Central State-owned Enterprises Training Shared Platform", "Three Major Decisions Lifecycle Management System" and "Run Zai Cai - Cloud Mall" won the Outstanding Application Award.

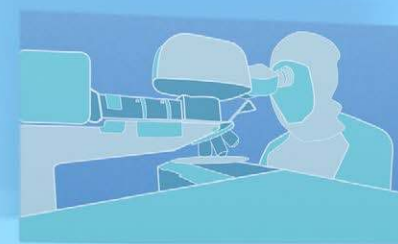
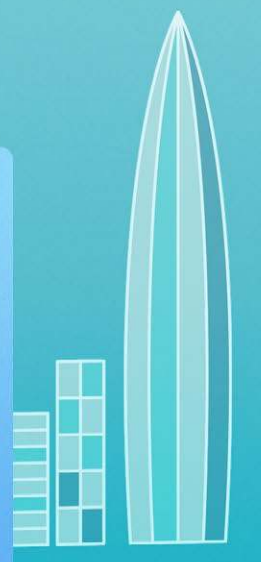
SASAC

◆ CRH's 28 units received 31 awards in the 2023 Hong Kong Green Awards, including 16 awards at the silver level and above.

Hong Kong Green Council

Economic Responsibility

— New, World-Class Empowerment



Operating income in 2023
RMB
893.18
billion



Technology development
investment in 2023
RMB

7.55
billion



- 16 Story I
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and Empowering High-quality Development
- 28 Strengthening Anti-corruption Supervision
and Strictly Adhering to the Bottom Line of
High-quality Development
- 29 Strengthening Compliance Information
Disclosure to Protect the Rights and Interests
of Minority Investors
- 30 Improving the Risk Management Mechanism
and Significantly Enhancing Risk Prevention
and Resolution Capabilities
- 31 Commitment and Performance



Story I

A New Narrative in the "New Quality" Era



Wang Xiangming
Chairman of China Resources Group

Insulated gate bipolar transistor (IGBT) broke through the core reliability issues of key technologies and products, enhanced the resilience of the high-end industrial chain, and ensured the safety of the industrial chain. Two third-generation semiconductor products, "SiC JBS devices and serialized products" and "SiC MOSFET devices and serialized products", were selected into the catalog of scientific and technological innovation achievements of central state-owned enterprises.

The independently developed biopharmaceutical CR1301 and fourth-generation intravenous human immunoglobulin have made important progress in the fields of innovative biological drugs and blood products.

A major national project in the direction of enzyme engineering was approved by the SASAC as the source of original technology for biomanufacturing (industrial enzymes and industrial bacterial preparations).

The successful development of PETG materials broke the import monopoly and eliminated potential "bottleneck" risks.

Networked photovoltaic storage system, floating photovoltaic power generation at sea, and the "Lighthouse Factory" were selected to represent the top smart manufacturing capabilities in the industrial field.

This series of brilliant technological innovations all comes from the strategic emerging industries laid out by CRH. The pillar of a great power with a new narrative. After more than 80 years of transformation, CRH has accelerated its transformation into a world-class enterprise. As the mainstay of the country's overall development of new quality productive forces, CRH is making every effort to build a new growth path.

Renewal Action in Progress

In April 2024, senior executives of CRH gathered again in Xiaojingwan, Huizhou. As a state-owned enterprise, the most important task of CRH at the moment is to combine "enhancing core functions and improving core competitiveness" with cultivating new-quality productivity based on the actual situation of the Company, so as to pinpoint the starting point of new-quality productivity.

Chairman Wang Xiangming of CRH clearly proposed that breakthroughs should be achieved in three aspects: "promoting industrial innovation through technological innovation, industrial application of new quality productive force, and forming new production relationships compatible with new quality productive forces."

CRH's transformation into the pillar of a great power has accelerated since the "14th Five-Year Plan". With the country's new deployment of state-owned enterprises to accelerate the development of strategic emerging industries, CRH has prepared the Group's special plan for new business - "Renewal Action".

Chen Rong, the chief strategy officer of CRH, said that the "Renewal Action" focuses on four new areas of biomedicine, integrated circuits, new energy and new materials, and has formulated the "two-step" goals for 2025 and 2030, the layout strategy of each track, and the practical measures and safeguarding measures in key links. At the same time, CRH is also actively exploring sectors such as industrial software, AI applications, and robotics.

Only when we create a system and mechanism suitable for scientific and technological innovation, and open up the blockages and obstacles that restrict the new quality productive forces, can the new quality productive forces burst into bloom. Chairman Wang Xiangming emphasized the need to further improve the top-level design and accelerate the Group's strategic emerging industry layout; the need to continue to deepen the work ideas, programs and policies, and to promote their implementation in the relevant business units; the need to focus on the goals, break through obstacles, and coordinate efforts towards the same direction among business units and the group tasked with the mission to achieve breakthrough results as soon as possible; the need to strengthen the support for talents, enhance incentives for talents, and study and formulate a more flexible incentive mechanism with a competitive edge in the market.

To this end, CRH has established a strategic emerging industry leadership group, a special industry development group and a special work office, as well as set up a strategic emerging special class to coordinate the strategic emerging plan, collaboratively obtain resources, follow up and promote major projects. The "one enterprise, one policy" fully supports business units that undertake specialized tasks and strongly promotes the concentration of resources in strategic emerging areas.

A new chapter of CRH has begun with the gathering of tremendous power and a new momentum.

Transition to a New Stage of Development

"Our mission is to become a supporter of the national livelihood industry, a problem solver of key issues, an enabler of the security of the industrial chain, a pioneer of emerging technologies, and a cultivator of high-end semiconductor talents," said Li Hong, president of CR Micro.

As a major player in the strategic emerging area of integrated circuits, CR Micro focuses on power semiconductors, smart sensors and smart controls, and its products are widely used in automotive electronics, industrial controls, new energy, home appliances and consumer electronics.

After several years of professional practice, CR Micro has formed a national business planning of "Yangtze River Delta + Chengdu-Chongqing Twin Cities + Guangdong, Hong Kong and Macao Greater Bay Area", with 250,000 6-inch wafers per month, 140,000 8-inch wafers per month, 30,000 12-inch wafers per month, the volume of which are increasing steadily. The production line of 12-inch featured analog ICs in Shenzhen is expected to be completed by the end of the year. The mass production scale of the advanced power packaging and testing base is rapidly increasing; the high-end mask project is accelerating; and the forward-looking layout of cutting-edge technologies for the next 5-15 years has been carried out. With the advantages of full industry chain operation, rapid product iterative operation and production line coordination, CR Micro provides customers with more hardcore "chip" solutions.

In the next step, CR Pharmaceutical will focus on strengthening CRH's business planning in the strategic emerging field of biomedicine through six major areas: blood products, antibody drugs, high-end equipment, cell and gene therapy, vaccines, and nuclear drugs.

Boya-Bio, a subsidiary of CR Pharmaceutical that focuses on

blood products, is one of the few domestic companies that offers a complete range of products in four major categories: human albumin, human immunoglobulin, factor type, and trace protein type. The new tissue and cell resource library established by CR Pharmaceutical in cooperation with the Chinese Academy of Medical Sciences and Peking Union Medical College is making solid progress and will become a unique brand in the gene and cell therapy field in the future. In the field of antibody drugs, differentiated antibody platforms based on computational biology and high-throughput screening will be connected to AI technology to achieve great breakthroughs in drug screening.

The goal of CR Pharmaceutical is: through endogenous cultivation and development, strengthening external cooperation, outward investment mergers and acquisitions, and integration empowerment, we aim to have two to three of the six major tracks enter the domestic first echelon by the end of the 15th Five-Year Plan period, and to create one to two original technology platforms to solve critical problems, with revenue scale at least doubling.

"First, we must lead the country, and at the same time, gradually narrow the gap with internationally renowned multinational corporations (MNCs). While continuing to make innovative breakthroughs, we will strive to gain a place in the international pharmaceutical circle and enter the top 50 global pharmaceutical companies as soon as possible," Qiu Kai, Vice President of CR Pharmaceutical, said firmly.

Developing new quality productive forces requires both a sense of urgency and a clear understanding that things cannot be accomplished overnight. Despite the good growth momentum, Chairman Wang Xiangming pointed out that CRH's strategic emerging business volume is still relatively small among the Group, and its business structure and quality are still far behind those of industry leaders. In addition, the targets of extended mergers and acquisitions in strategic emerging industries are mostly high-tech enterprises. It also poses a challenge for CRH to empower and solve the development problems of these enterprises and create synergies.

"Everyone in the Group must fully understand the arduousness of the strategic emerging task," Chairman Wang Xiangming said. "We must base ourselves on the actual situation of the Group and focus on solving the difficulties and pain points of technological innovation in business units, and adopt more practical measures. In particular, it is necessary to identify the crux of the problem of scientific and technological innovation in key industrial enterprises and address the problem to enhance the Group's overall scientific and technological innovation capability."

Gathering Innovative Talents

Scientific and technological innovation must adhere to long-termism. The global integration of talent resources is one of the important measures taken by CRH to continue its efforts and persevere in the new industries.

Revolutionary breakthroughs and disruptive innovations require top technological innovators. In the sub-tracks of CR Pharmaceutical, the Chief Scientist plays a key role as the leader of technological innovation. "Each track must have a leader, and this leader must be an international first-class expert with a global vision," said Qiu Kai, vice president of CR Pharmaceutical. CR Pharmaceutical brings in top international science and



technology innovation talents, and cultivates a strong scientific and technological innovation team. At the same time, it has established joint laboratories with top domestic scientific research institutes and other methods to create a multi-dimensional and positive talent ecosystem.

At CR Micro, by the end of 2023, the proportion of R&D technicians reached 40.8%. CR Micro brings in high-level talents through multiple channels and establishes a number of key/joint laboratories, innovation consortia and university-enterprise cooperation R&D platforms. Li Hong, president of CR Micro, said that the company continues to improve its technological innovation system and promotes a culture of technological innovation through diversified platforms and carriers such as technological forums, technological conferences and technological award evaluation. For R&D technicians, the company has set up a variety of medium- and long-term incentives, such as equity incentives and project follow-up investments. At the same time, the company also sets up project awards and incentives, R&D efficiency awards and R&D achievement awards through the annual selection of outstanding achievements and the evaluation of technological personnel, and establishes awards for scientific and technological achievements, scientific and technological talents, and outstanding scientific and technological talents. The diversified incentive system matches the value realization needs of human capital in an all-round way, and an atmosphere of innovative talents full of vitality and creativity has been formed.

Innovation is the key to development. In every era, there are always some people who stand at the forefront, grow up vigorously and become practitioners and promoters. In the journey towards becoming a world-class enterprise, CRH is once again growing and transforming, writing a new story of CRH that takes "quality" as its guide and moves toward "newness".

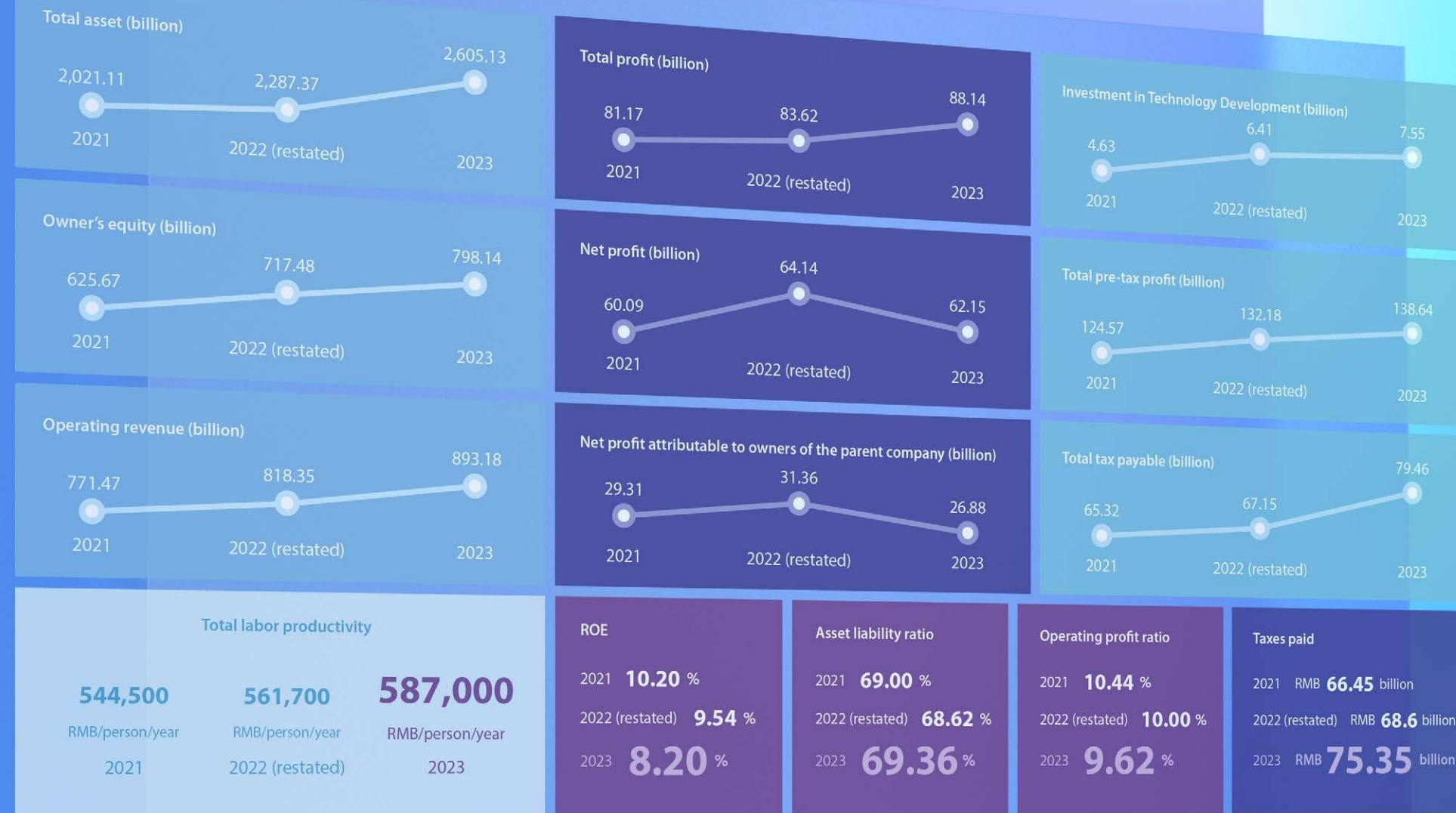
Concept and Vision

We have followed closely the needs of the Party and the country, actively contributed to economic value, fulfilled national strategies and enhanced social welfare. We are committed to balancing our economic, political and social attributes to create comprehensive economic, political and social value; we are committed to balancing multiple roles, adhering to our primary responsibilities, continuously enhancing our core functions and core competitiveness, and giving full play to our comprehensive value, so as to accelerate the construction of a state-owned capital investment company with CRH characteristics and a world-class enterprise, and to make new and greater contributions to the comprehensive construction of a modern socialist country.

SDGs Responses



HKEX ESG indicators covered in this chapter:
B7.2, B7.3



Implementing the "1246" Model and Integrating "Dual Core and One Force"

Since the 20th CPC National Congress, General Secretary Xi Jinping has made a series of important remarks and instructions on strengthening the core functions, improving core competitiveness and developing new quality productive forces of state-owned enterprises, giving them new missions and functions for the new journey in the new era of the state-owned enterprises. In 2023, CRH Group continued to enrich and improve the "1246" model by forging long boards, making up for short boards and cultivating new boards, so as to promote the strategic mission of the "14th Five-Year Plan" with high quality and accelerate the formation of new quality productive forces.

The focus on "one goal" is clearer and firmer. The Group is firmly striving to become a state-owned capital investment company with CRH characteristics and a world-class enterprise with global competitiveness, leading the Group's transformation and development path and methods to become clearer and achieve more significant results.

The planning of the "two major businesses" is more optimized and reasonable. In terms of "the pillar of a great power", investment in strategic emerging industries increased by 14.1% year-on-year. It undertook the special tasks of the SASAC's "renewal action" and "sail operation" and established a direct investment platform for the Group's strategic

emerging industries, including integrated circuits, new energy, and biomedicine, which have achieved rapid growth. In terms of "people's livelihood", the comprehensive energy, urban construction and operation, and big health sectors all achieved double-digit growth in revenue and profit, and the big consumption sector actively broke through high-end and market segments.

The "four reshapes" are being advanced with more solid and robust efforts. The Group launched a mid-term review of its "14th Five-Year Plan" strategy, focusing on the "four reshapes". In terms of value reshaping, the Group gave greater prominence to its new mission and responsibilities

1 Goal

To build a state-owned capital investment company with CRH characteristics and a world-class enterprise with global competitiveness

General Secretary's reply letter SASAC's requirements National strategies

2 Directions

People's livelihood Basic business			The pillar of a great power New business		
Consumer products	Integrated energy	Urban construction and operation	Healthcare	Industrial finance	Technology and emerging sectors Microelectronics, new materials, biomedicine, etc.

4 Paths

Value reshape	Corporate positioning Business mode	Mission and vision Development strategy	Track selection Regional layout	Resource allocation Incremental business	Business reshape
Organization reshape	Governance structure Delegation of authority	Control relationship Talent development	Institution and system Internal control mechanism	Corporate culture Image promotion	Party building and discipline inspection Social responsibility
Spirit reshape					

6 Capabilities

Fund raising	Investment	Industry	Management	Exit	Service
Bond financing Equity financing Capital operation	Investment strategies Investment approach Operation mode Incubation	Industry chain control Industry control Industry innovation Cash generation	Corporate governance System construction Differentiated control supervision Human resource development	Disposal of non-main and non-advantageous businesses as well as invalid and insufficient assets, management of zombie and difficult enterprises, enterprise scale-down, overall sale and professional consolidation Strategic orientation Exit mechanism Authority and responsibility	Professional services Financial services Digital intelligence empowerment Collaboration and sharing

CRH's state-owned capital investment company builds "1246 model"

in the new journey, facilitated the further identification of the value positioning of some of its business units, and resolved problems such as unclear development direction and wavering strategies. In terms of business reshaping, the Group has sorted out and formed the new "4+2" main businesses of the Group, further clarified the main tracks and new dynamic businesses of some of the business units, and carried out internal transfer and integration of individual businesses. In terms of organizational reshaping, the Group continued to promote the enhancement of its corporate governance and organizational capabilities, set up the Group's finance division, and optimized the organizational positioning of CR Capital Management to better meet the needs of industrial finance and strategic emerging industry development. In terms of spiritual reshaping, a series of "8540" commemorative activities were successfully held, and a series of cultural publicity work was planned around the inheritance of the red gene and the stimulation of contemporary values, which was widely publicized in the People's Daily and other media at home and abroad, demonstrating the new image and style of CRH.

The "six capabilities" have been built with greater precision and vigor. The overall cost of financing continued to fall as a result of coordinating diversified fund-raising efforts, and the Group's exposure to exchange rate risk was effectively reduced. Efforts were made to increase effective investment, with the investment completion rate reaching 77.9%, a continuous improvement. The Group coordinated its efforts in both traditional and strategic emerging industries to build up its capacity for high-quality industrial development, resulting in a stronger development momentum. The Group strengthened supervision and management, improved the integrated risk prevention and control system, reinforced audit supervision, and stepped up safety inspections, resulting in an overall stable EHS situation. The Group also strengthened its exit capability, intensified the disposal of non-main and non-advantageous businesses as well as invalid and inefficient assets, and initiated a three-year special operation on loss management, resulting in a real decline in losses. The Group also strengthened shared services, and digital intelligence helped continuously improve the standard of integrated operation and management, and helped practically enhance the production and operation capacity.

The reform of state-owned capital investment companies was carried out with high quality. The Group implemented the requirements of the three-year action for state-owned enterprise reform and successfully accomplished various reform tasks in high quality by adopting the "four reshapes" as the path, and achieved notable results in the structural adjustment of industrial layout, optimization of organization and control, improvement of the modern enterprise system with Chinese characteristics, and full implementation of the tenure system of the managerial level and contract management, etc., and won good results for two consecutive years in the appraisal of key tasks of the three-year action for state-owned enterprise reform in FY2021 and FY2022. In 2023, the Group initiated the implementation of the reform deepening and upgrading action, formulated the reform deepening and upgrading action plan and account in high quality, which was approved by the SASAC of the State Council; the Group also optimized the reform organization



On September 6, 2023, the Group held a mobilization meeting to create a world-class demonstration enterprise and a promotion meeting for value creation and management improvement actions in Hong Kong, with the aim of studying and implementing the important arrangements of the Party Central Committee and the State Council on accelerating the construction of a world-class enterprise, and thoroughly implementing the relevant requirements of the SASAC of the State Council on the construction of world-class enterprises. The Group's work of creating world-class enterprises shall be re-mobilized and redeployed. The next step will be to promote the overall planning of "four special actions" of creation demonstration, value creation, management improvement and brand leadership.

and system, and pushed forward the reforms in a solid and effective manner, completing 52 out of the 164 initiatives in the whole year, which accounted for 32%, with the overall progress exceeding 50%. The functional and mission-oriented reforms and institutional and mechanism reforms have achieved positive progress and results. The State Council's supervision and inspection of state-owned enterprise reforms was completed satisfactorily and was well evaluated.

The Group actively constructed a world-class enterprise construction path with the characteristics of CRH. The Group fully implemented the requirements of the SASAC for benchmarking world-class management improvement work, combined with its own diversified business characteristics and the objectives of building a state-owned capital investment company, and constructed a system for benchmarking world-class management improvement work with the characteristics of CRH, promoting the Group's headquarters and business units to focus on the construction of their own core competencies, and to fully implement benchmarking management by setting up benchmarks and catching up with them. The Group's overall management capability was significantly improved; efficiency and effectiveness indicators continued to improve; and key business units continued to maintain and consolidate their leading positions in the industry. A total of five management benchmarks of the Group were selected by SASAC as part of its "three benchmarks" list, ranking first in terms of the number of selections. The Group ranked 10th among the 16 central state-owned enterprises with a total score of more than 90 points in the SASAC's world-class management improvement action assessment. In March 2023, the Group was selected as one of the new batch of world-class demonstration enterprises.

Improving Corporate Governance and Improving Management Efficiency

The Group strictly complies with the requirements of laws, regulations and policy documents such as the Company Law of the People's Republic of China and the Working Rules of the Board of Directors of Central State-owned Enterprises (Trial), and promotes the modernization of the corporate governance system and governance capabilities. The Group also standardizes the operation of the Board of Directors, implements the key powers of the Board of Directors, improves the management mechanism, and organizes the first annual evaluation of the business unit Board of Directors and director performance evaluation. Moreover, the Group establishes a closed-loop management mechanism for the construction of the subsidiary Board of Directors, and effectively improves the standardization and effectiveness of the Group's corporate governance and the operation of the subsidiary's Board of Directors.

Strengthening Party Leadership in Improving Corporate Governance

The Group has revised relevant system management regulations in accordance with the requirements of state-owned enterprise reform, providing hierarchical and classified guidance to subsidiaries at all levels, and implementing the leadership role of party organizations according to different governance structures to ensure that the party organization can oversee the entire area and coordinate all parties. All subsidiaries that meet the requirements have formulated a power and responsibility operation manual (including a list of major operating and management matters for pre-study by the party committee), which clarifies the power and responsibility boundaries and decision-making process of each governance body. The Group guides its subsidiaries at all levels to formulate rights and responsibility manuals based on categories, taking into account industry characteristics, organizational capabilities and other factors, and on the basis of complying with internal party regulations, laws and regulations, differentiated arrangements for decision-making and authorization are made to avoid the situation of "generalization".

Continuously Improving the Corporate Governance System

In accordance with the requirements for the construction of state-owned enterprises under the rule of law, the Group aimed to establish an institutional system with "clear structure, complete content, mutual connection, and effective coordination", follow the management principles of "legal compliance, comprehensiveness, systematicness, adaptability and appropriate control" to strengthen the full life cycle management. The Group has established a hierarchical and classified system based on the company's articles of association. The Group revised the rules of procedure of the Party Committee to further clarify the requirements for the scope of the Party Committee's proceedings and the Party Committee's deliberation and voting mechanism. The



The Group's external directors conducted an on-site research at the University of Hong Kong

Group has established a strict system review mechanism and established a dedicated team to conduct compliance, scientific and rational review of all systems to ensure the systematic effectiveness of the system.

Giving Full Play to the Management Functions of the Board of Directors

The Board of Directors plays the main role of operating decision-making body in "setting strategies, making decisions and preventing risks". In terms of setting strategies, the Group will solidly advance the mid-term review of the "14th Five-Year Plan" strategy, promote the integration of major national strategies into the new development pattern, deeply implement the reform and deepening improvement actions of state-owned enterprises, continuously enrich and improve the "1246" model, and continue to build a control system of the state-owned investment enterprise with CRH characteristics. In terms of decision-making, major matters were fully demonstrated, and the Board of Directors exercised its major decision-making power in accordance with the law. The Board of Directors held a total of 15 meetings, including 4 regular meetings and 11 extraordinary meetings.

The Board of Directors adheres to scientific decision-making and democratic decision-making, and reviewed a total of 50 proposals throughout the year, including 7 investment and financing projects, 9 strategy projects, 1 reform project, 6 personnel projects, and 11 risk projects. In terms of risk prevention, the Group continued to improve the institutional system construction, formulating or revising 103 systems throughout the year, and reducing the number of systems by 40%, which effectively improved the scientific nature and effectiveness of the group's institutional system. Throughout the year, the Group strengthened accountability for illegal operations and investments, improved the effectiveness of audit supervision, strengthened risk prevention and control, and improved supervision and management.

The Group strengthens the self-construction of the Board of Directors and improves the working mechanism of the Board of Directors. The Group continues to improve the communication mechanism with external directors, pays close attention to the implementation of the opinions of external

directors, and ensures that the opinions of external directors are fully implemented. The Group continues to strengthen the construction of specialized committees and gives full play to the role of specialized committees. The Group's major investment projects and major risk matters have been studied by specialized committees. Each specialized committee held a total of 16 meetings throughout the year and studied 26 topics, effectively ensuring the quality and level of the board of directors' decision-making. The Group coordinated and carried out business research on external directors and used research as an important platform for directors to perform their duties. The Group organized and conducted business research 4 times throughout the year to enhance the effectiveness of strategic discussions by the board of directors and lay the foundation for scientific decision-making. The Board Secretary and Board Office continue to strengthen directors' duty performance services. The Group provided sufficient information support to external directors and provided them with more than 500 management report industry research and other materials throughout the year.

Serving the National Strategy and Keeping in Mind the Greatness of the Country

The Group has always actively served the Party and the country with a high sense of political responsibility and conscious action.

Firstly, the Group's work in Hong Kong has achieved remarkable results. The positioning of the Group's Hong Kong Working Committee was further enhanced and its working mechanism optimized. The Group's investment in Hong Kong in FY2023 reached record highs in terms of both amount and share in recent years. The market share of livestock supplied to Hong Kong by CR Ng Fung reached a five-year high; CR Land's Cheung Sha Wan project entered the construction phase; CR Logistics completed the acquisition of a warehouse in Fanling; and the warehousing and storage business of CR Logistics has entered the top three in the Hong Kong market, continuing to enhance the Group's economic influence in Hong Kong. Focusing on people's livelihood issues in Hong Kong, the Group registered and established "Love Together", an NGO platform, participated in activities such as the "Strive and Rise Programme" and "Beyond Dreams", sponsored the Hong Kong media in launching the documentary "A Vast Expanse" and "Hong Kong Nature Stories", jointly produced the "Hong Kong Chronicles- Nature - Supplementary Readings for Primary and Secondary Schools", and organized Hong Kong employees to participate in the in-depth visit program to the mainland and the summer internship program for Hong Kong youth.

Second, quality resources were concentrated in key regions. In the Guangdong, Hong Kong and Macao Greater Bay Area, the main body of CR Micro' Baoan 12-inch production line project was successfully topped out. In the Beijing-Tianjin-Hebei region, CR Pharm-Comm continued to strengthen the protection of the core functions of the capital city. CR Land's Xiong'an Green Building Exhibition Center project was put into operation. In the Yangtze River Delta region, the Shanghai Maqiao project of CR Youtha Suites apartment community was fully recognized by General Secretary Xi Jinping. Hefei Gas was successfully landed; offshore wind power in Wenzhou was connected to the grid; and the Bengbu Brewery Modernization Base was put into production. In the Chengdu-Chongqing region, the construction of a Chinese medicine industry chain and new energy power generation project in Liangshan Prefecture, Sichuan Province, and the construction of the Sanjiu Xichang Chinese medicine factory commenced. In the northeastern region, the Shengjing Energy restructuring project was finalized; the restructuring of Anshan Gas was completed; and the mixing and reorganization of Shenyang Gas progressed steadily. In the northwest region, a breakthrough was made in the development of new energy in Xinjiang. In addition, the business units of CR Land, Power, Gas and Vanguard completed the services and guarantees for the Chengdu FISU World University Games, Hangzhou Asian Games, China-Central Asia Summit and other important national competitions and conferences with high quality.

Releasing the "White Paper on Corporate Governance of China Resources Group"

On the occasion of the 85th anniversary of the founding of China Resources and the 40th anniversary of the establishment of a modern corporate system by CRH, the Group took the initiative to release the White Paper on Corporate Governance. The white paper comprehensively summarizes and refines the practical experience of corporate governance, and systematically reviews the evolution history of CRH's corporate governance; from the perspective of corporate governance-related subjects, decision-making mechanisms, supervision mechanisms, incentive mechanisms, information disclosure mechanisms, sustainable development mechanisms, control structures and management mechanisms, etc., it proposed 65 corporate governance principles in seven aspects; combined with Chinese characteristics and a global perspective, it proposed a corporate governance development vision. "White Paper on Corporate Governance of China Resources Group" is the first corporate governance special report proactively disclosed by an enterprise. The release of the white paper has received strong support from domestic and foreign corporate governance experts, regulatory agencies and financial media, effectively improving corporate governance transparency and laying the foundation for further improving governance capabilities and standards.



On the occasion of the 85th anniversary of the founding of CRH and the 40th anniversary of the establishment of a modern corporate system by China Resources Group, the Group took the initiative to release the White Paper on Corporate Governance.

Continuing to Deepen Organizational Reshaping

The Group included organizational reshaping as an important part of the mid-term review of the "14th Five-Year Plan", focusing on key issues in organizational control affecting the implementation of strategies and business development, and guiding business units to conduct an in-depth review of shortcomings and deficiencies in organizational structure, design of powers and responsibilities, and system construction. Through the establishment of the financial business division and the optimization of the organizational positioning of CR Capital Management, the Group further strengthened the coordination and management of its financial business and implemented the policy requirements of SASAC regarding the development of fund business and new industries of central state-owned enterprises.

At the Group level, the scientific management and control of

the headquarters have been comprehensively improved. The functions of the headquarters were more clearly positioned and more reasonably configured, realizing the value creation objectives of "strong leadership, development, effective service and supervision", and the authorization and decentralization of business units were more precise, truly realizing the upward shift of investment and operation functions and the downward shift of specific operational matters. At the business unit level, operational vitality has been significantly enhanced. Dynamic authorization and delegation of authority were carried out according to the maturity of business units, with greater reciprocity of power and responsibility between the Group's headquarters and business units, and more operational autonomy for "those who can hear the gunfire", thus releasing and enhancing the intrinsic vitality of business units and improving their per capital efficiency.



Third, the dual-carbon target is advanced in an orderly manner. The Group strengthened the standardized management of carbon emissions and continued to promote the construction of "zero carbon park" demonstration projects. Vigorously promoting green and low-carbon transformation, CR Power installed 6.96 million kilowatts of renewable energy, bringing the total installed capacity of renewable energy to 21.41 million kilowatts, and the proportion of installed capacity in equity to 37.8%. The Group actively promoted the application of new energy-saving and carbon-reducing technologies, equipment, materials and processes. The Group's consolidated energy consumption and carbon emissions per RMB10,000 of GDP decreased by 4.3% and 6% respectively year-on-year. The Group fought an in-depth battle against pollution, strengthened source management and process control, and carried out regular inspections of ecological and environmental protection and environmental protection facilities to continuously consolidate the effectiveness of pollution control. The Group further accelerated its green and low-carbon transformation. A Carbon Peak Achievement and Carbon Neutrality Steering Group was set up to compile the Group's Carbon Peak Achievement Action Plan and Path Guidelines, and to strictly control investment in energy-consuming, high-pollution and high-emission projects, with a focus on allocating resources to green and low-carbon projects. The China Resources Carbon Neutral Research Institute was established to produce more than 20 major research results. It promoted the construction of an eco-demonstration park for energy utilization of sludge at CR Power Guangdong Haifeng Power Plant, which is the world's largest in terms of sludge coupling and combustion, with a high degree of intelligence and high emission standards.

Fourth, the Company actively fulfilled its social responsibility as a central state-owned enterprise and helped promote the rural revitalization in a comprehensive manner. The Group actively participated in the earthquake relief work



Chongqing's 8-inch specialized power device wafer production line continuously produces multi-layer epitaxial superjunction MOS products every day.

in Jixishan, Linxia Prefecture, Gansu Province, and put into practice the "people-centered" development philosophy. The Group upgraded its support work by upgrading its concept of assistance, completing the handover of cadres and village first secretaries in Guangchang and Haiyuan, organizing the third training course for cadres in support counties, holding an exhibition of the Group's achievements in rural revitalization, and vigorously launching consumer assistance. It upgraded the construction and management of CR Hope Towns, with the successful completion of the Nanjiang CR Hope Town, the full construction of the Kangle Hope Town, the completion of the construction of part of the newly-built and reconstructed residential houses in Zhangbei Hope Town, the basic completion of the reconstruction of residential houses in Tonghua Hope Town, and the completion of the planning and design schemes for the Alshan and Yimeng Hope Towns. It promoted the rotation of mayors on duty at the township level and completed the full coverage of the "red housekeepers" in the CR Mixc Lifestyle.



In the national "14th Five-Year Plan" key project "Xinjiang-to-Chongqing Power Transmission", Xinjiang Chongneng Electric Power Development Co., Ltd., a subsidiary of CR Power, successfully obtained the construction quota for the new energy base project (4100MW) at Tianshan Northern Foothill in Xinjiang, including 2800MW wind power, 1200MW photovoltaic, 100MW solar thermal, equipped with 800MW/3200MWh energy storage. It is currently under construction.

Seeking Progress while Maintaining Stability and Empowering High-Quality Development

The Group firmly grasps the primary task of high-quality development, adheres to the general tone of work of seeking progress while maintaining stability, and promotes the "four reshapes" to be in-depth and practical. In the opening year of the 20th National Congress of the Communist Party of China (CPC), the 85th anniversary of CRH's founding and the 40th anniversary of the Group's founding, the Group has taken solid steps towards greater stability, accuracy and excellence.

Improving Quality and Efficiency in Core Business

Over the past year, the Group has firmly grasped the theme of high-quality development and made every effort to improve quality, increase efficiency and stabilize growth. Our overall operating performance has outperformed the market and the overall level of central state-owned enterprises. Each business unit conscientiously implemented the Group's decision-making and deployment, focused on its main responsibilities and main businesses, grasped key points, promoted transformation, and improved quality and efficiency, and achieved positive results.

Consumer Products Segment

The Group accelerated business upgrades and promoted organic growth. CR Vanguard has actively changed its business thinking; CR Beer's "high-end winning" strategy has achieved outstanding results; CR C'estbon has completed the layout of three major water types; CR Ng Fung has actively promoted pipeline transformation and process updates for condiments, pre-products and other businesses.

Integrated Energy Segment

The Group accelerated green transformation and further increased the proportion of new energy business. CR Power has achieved important breakthroughs in national and provincial onshore bases and offshore wind power; CR Gas has continued to expand its independent gas source coordination scale.

Urban Construction Segment

The Group actively responded to the downward pressure on the industry and took multiple measures to stabilize the fundamentals. CR Land ranked fourth in the industry rankings, and Qingdao Mixc was officially approved as the first commercial REITs asset; CR Building Materials Technology Tianyang Factory became the world's first "lighthouse factory" in the building materials industry; CR Longdation rapidly promoted the construction of asset management platforms and inefficient assets disposal.

Healthcare Segment

Focusing on the "Healthy China" strategy, the Group will accelerate innovation and development. CR Pharmaceuticals promoted the first clinical approval of C1 esterase inhibitor in China and completed the listing of a national key laboratory sub-center; CR Pharm-Comm successfully acquired four projects of Kelun, Lifang, Fuda and Feipeng; CR Sanjiu took the lead in undertaking the task of building a modern traditional Chinese medicine industry chain; CR Double Crane vigorously promoted the construction of a synthetic biotechnology platform; CR Jiangzhong's "National Key Laboratory of Modern Traditional Chinese Medicine Creation of Classic Famous Recipes" was successfully approved; CR Healthcare successfully promoted the post-investment integration of four aerospace science and technology hospitals.

Industrial Finance Segment

The Group's financial division was established to coordinate and manage the Group's financial business. CR Financial Holdings promoted the construction of a customer base for state-owned enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area; digital coverage of key business links of CR Bank reached 78%; CR Trust securely disposed of risk projects; CR Asset's new industrial and financial synergy projects have significantly increased; CR Capital plays a new role as the Group's fund business management platform and new industry direct investment platform.

Technology and Emerging Sectors Segment

The Group accelerated the development of strategic emerging industries. CR Enterprise has become an important force for state-owned enterprises to build Hong Kong's international innovation and technology center; CR Micro has accelerated its deployment of high-growth businesses; CR Chemical Materials' domestic market share and overseas export share have increased; CR Environmental Protection continued to promote the reorganization and integration of Inner Mongolia environmental investment; CR Digital's Industrial Internet has been selected as the "dual cross" platform of the Ministry of Industry and Information Technology for two consecutive years; CR Corporate Service has established the Group's overseas recruitment service platform.

Forward-looking Layout of Strategic Emerging Industries

Since the "14th Five-Year Plan", CRH has put all its efforts into laying out strategic emerging industries in a prominent and important position, actively deploying in key areas such as integrated circuits, biotechnology, and new energy, and achieving rapid growth in new revenue and leading the industry in various fields. Since 2023, the Group's Party Committee has immediately established a new industry leadership group, a special industry development group and a special workshop to strengthen the research investment, direct investment and investment management functions of the Group headquarters, and formed a work plan for the Group's planning and development of strategic emerging industries. Efforts have been made to create a new planning system for the "1+4" strategy, improve the "macro planning - meso industry - micro track" support research system, and formulate and issue a package of support policies for business units undertaking special tasks, and "one enterprise, one policy" has clarified the differentiated assessment orientation. Based

on a clear division of labor and a clear management interface, the Group and business units have increased resource allocation and collaboratively promoted the development of new businesses. The Group's efforts in developing new work have been fully recognized by the SASAC. The Group and related business units are developing layouts around the two major directions of "the pillar of a great power" and "people's livelihood". They will focus on the "the pillar of a great power" field, expand the scale of existing and new businesses, and actively deploy new tracks and new areas.

In 2023, the Group vigorously deployed strategic emerging industries and accelerated the investment in new areas such as integrated circuits, biotechnology, new energy, and new materials. The completed investment in new industries increased by more than 20% year-on-year, and new investment and revenue proportion increased significantly.

China Resources Group's current status of cultivating and developing new industries



In the comprehensive energy sector, CR Power's new energy business scale grew steadily in 2023; new energy investment increased by 22.4% year-on-year; offshore wind power achieved major breakthroughs; construction indicators reached a new high; and the annual new grid-connected capacity hit a new high in the Company's history. CR Gas has accelerated the development of its "distributed photovoltaic, charging piles and distributed energy storage" business, and its business scale has grown rapidly year-on-year. It promoted the research and exploration of new businesses such as hydrogen energy and energy storage, and undertook pilot projects such as the "Hydrogen in Ten Thousand Homes" national key research and development plan.



In the healthcare sector, the construction of CR Sanjiu's traditional Chinese medicine industry chain has begun to show results; the industry's influence has gradually increased; and the self-diagnosis and treatment business has maintained its leading position. It obtained 25 new product approval projects and obtained 5 new product approval documents. CR Double Crane has fully launched the construction of its technology platform. In 2023, the number of generic drug approvals and applications reached a new high, with the number of approved drugs ranking fifth in the industry. CR Jiangzhong has closed the deal of a major single product worth over RMB 500 million, consolidating the Company's industry position in the field of gastrointestinal digestion, and successfully applied for the National Key Laboratory for the Creation of Modern Chinese Medicines from Classical Prescriptions.



In the technology and emerging industries sector, CR Micro has outperformed the market despite the downturn in the industry cycle. It has further implemented its regional layout and continues to maintain its leading position in China's semiconductor industry. Major national technology projects were successfully promoted, and breakthroughs were achieved in core technologies and key products. CR Chemical Materials has made positive progress in promoting industrialization projects, special research and development projects, and building innovation platforms. Revenue from the PETG projects increased by 82% year-on-year, and sales doubled; it has launched national-level technical research projects in key technology fields; it has deeply promoted school-enterprise cooperation; it established a long-term communication mechanism and strived to create an innovation source and incubation platform for the new materials industry. In the "recycled water" segment, CR Environmental Protection has implemented "grasping the source, controlling hubs, and building pipelines". In 2023, it invested in the Derun drainage project and the Dongshan Water Affairs project, and Chifeng's "recycled water" market share increased to 55%.

Continuously Optimizing Industrial Structure

In 2023, CRH continued to adjust resource allocation and optimize the industrial structure through effective investment. In a complex and ever-changing macro environment, the Company completed an investment of RMB 213.47 billion throughout the year, with a completion rate of 75.3% of the investment plan, the highest level since the Group's "13th Five-Year Plan". The main effects are:



Consolidating Industry Position

CR Gas has bucked the trend in the unfavorable environment where upstream gas prices have increased and the industry has been generally under pressure. It has secured city gas projects such as Kunshan Litong and Kunming Gas, and at the same time invested in LNG receiving stations to strengthen gas source security capabilities, further consolidating its industry-leading market position. CR Pharmaceutical has further strengthened its medical security and emergency service capabilities through investment, and its comprehensive ranking remained top three in the industry.



Strengthening Cooperation between Central and Local Governments

Based on the national strategy, CR Land actively participated in people's livelihood projects and actively undertook the important tasks of supporting the construction of Guangzhou Cultural and Sports Center and area development and construction projects; CR Power completed the merger and integration of Chongqing Energy Group and acquired the new energy resources of "Xinjiang Electric to Chongqing".



Traditional Chinese Medicine Industry Chain Solidification and Supplementation

CR Sanjiu and CR Jiangzhong carried out investments in the field of traditional Chinese medicine and accelerated mergers and acquisitions to promote the high-quality development of the traditional Chinese medicine industry chain in accordance with the requirements of "basically solidifying the chain, supplementing the chain with technology, integrating the strong chain, and optimizing the plastic chain".



Mitigating the Semiconductor Bottleneck Problem

CR Micro strived to seize the golden window period of the semiconductor industry planning, continued to expand and improve its main power semiconductor business, accelerated the mastery of core technologies, actively promoted product upgrades, expanded the market share of high-end applications, and maintained its domestic leading position in market segments.



Traditional Business Transformation and Upgrading

CR Power actively responded to the national "dual carbon" strategy, made every effort to transform into clean energy, and completed 70% of its investments in the new energy field. CR Vanguard has actively responded to the downturn in the retail industry, focused on core capability building, invested in store renovation and upgrades, digital construction and mergers and acquisitions of leading regional companies.



Effectively Disposing of Ineffective and Inefficient Assets

In 2023, the Group held a total of 3 scale-down meetings to study the "non-core and non-advantageous" businesses and the sorting out of business transformation and reshaping. The Group has 10 "non-core and non-advantageous" businesses, involving a turnover of 14.46 billion and total assets of 37.06 billion. All of them have formulated exit plans including timetables and responsible persons. Most of the "non-core and non-advantageous" businesses have already carried out substantive exit work; there were 15 transformation and reshaping projects, involving a turnover of 10.13 billion and total assets of 14.14 billion. Optimization plans including business positioning, optimization direction and specific measures have been formulated.

Promoting the Development of Intelligent Digitalization as a Whole

The Group has accelerated the in-depth integration of digital technology and physical industries and has basically achieved its expected goals. The Group's overall digital coverage of key business links reached 50.8%, an increase of more than 20 percentage points from the early stage of the "14th Five-Year Plan". The first phase of the acceptance evaluation of the special action to improve the digitalization and intelligence of state-owned assets supervision was rated as excellent by the SASAC. The Group's digital transformation reform practice case won the 2021 China Enterprise Reform and Development Outstanding Achievement Special Award.

The Group's annual digital innovation business revenue was RMB143.2 billion (mainly including CR Land Xiaorunxuanfang,

Run Materials Platform, CR Building Materials Technology E-commerce Platform, and CR Pharma e-Store), reducing costs by RMB3.3 billion and saving approximately 27,000 working hours per year. It promoted the digital transformation and upgrading of financial management, effectively improved the Group's capital management and control capabilities, and was rated as excellent in the mid-term acceptance of the SASAC's treasury system construction. The results of "Smart CRH" are showing. CR Pharmaceutical uses AI algorithms to significantly reduce the research and development hours of a single project. CR Land strengthened the full-channel online operation reform. CR Medical supported integrated regional logistics management. CR Bank's full-stack Xinchuang Cloud was successfully put into production.

Strengthening Anti-Corruption Supervision and Strictly Adhering to the Bottom Line of High-Quality Development

The Group has been promoting the construction of the "Three No's" mechanism with CRH characteristics, persistently rectifying "pointless formalities, bureaucratism, hedonism, and extravagance", continuously improving the "Big Supervision" system, vigorously promoting the special rectification work of relying on enterprises to take advantage of enterprises and overseas corruption, and promoting the full coverage of internal inspection with high quality, thus releasing a strong signal that "the further it goes, the stricter it will become".

Continuing to Deepen the Fight against Corruption

The Group adhered to the principle of "no forbidden zone, full coverage and zero tolerance", and for the year as a whole, the number of problems handled increased by 80.8% year-on-year; the number of cases filed increased by 37.1% year-on-year; the number of party disciplinary and administrative penalties imposed increased by 48.8% year-on-year; and the number of suspected lawbreakers and criminals referred to the Group increased by 49.1%. The Group has been working tirelessly to rectify "pointless formalities, bureaucratism, hedonism, and extravagance", keeping a close eye on recurring, reorganized

and hidden "pointless formalities, bureaucratism, hedonism, and extravagance" problems, investigating and dealing with 120 cases of violation of the spirit of the eight rules of the Central Authorities throughout the year, and continuing to release the signal that it will become more stringent as the year goes on. Adhering to the principle of "no exceptions overseas", the Group reported to the Hong Kong Independent Commission Against Corruption (ICAC) and transferred a number of Hong Kong employees suspected of committing crimes, thus promoting a breakthrough in the fight against corruption overseas.

Paying Equal Attention to Punishment and Prevention, and Promoting the Construction of CRH's Characteristic Mechanism

First, the Group continued to exert pressure on the "not daring to be corrupt" policy and maintain a strong deterrent against corruption. The Group has firmly grasped the focus and direction of the anti-corruption struggle, and has adopted a zero-tolerance attitude in combating corruption and punishing malpractice; the Group has been more forceful in curbing incremental growth, and more effective in eliminating stockpiles. The Group solidly carried out special rectification in the areas of finance, medicine and healthcare, food purchasing and marketing, and rural revitalization, focusing on prominent issues such as "make money off finance illegally," "make money off medicine illegally," and "make money off drugs illegally," etc. The Group used specialized rectification as a means to seriously investigate and deal with various types of disciplinary and illegal problems in the business activities of enterprises. The Group will persistently implement the spirit of the eight rules of the Central Government, adhere to the principle of investigating and treating both wind and corruption, and make every effort to rectify "pointless formalities, bureaucratism, hedonism, and extravagance". The Group has deepened the implementation of the mechanism of joint supervision and joint investigation of cases by "offices, groups and places", consolidated and expanded cooperation with local disciplinary committees and supervisory commissions, and jointly investigated a number of serious and large-scale cases.

Second, the Group deepened and expanded our efforts on the "cannot be corrupt" policy to enhance the effectiveness of corruption governance. Focusing on the problems found

Coverage and Long Deterrence in Combating Corruption", and published a case warning book. The Group has continued to promote integrity publicity to the grassroots, with the Group's disciplinary committee team and the disciplinary inspection

and supervision cadres of the Group's headquarters giving more than 30 lectures on integrity, and the concept of "integrity creates value, and compliance protects development" becoming more deeply rooted in people's minds.

Continuing to Strengthen the Capacity Building of Discipline Inspection and Supervision Cadres

Adhering to the regularized learning mechanism, the Group held 17 collective learning sessions throughout the year and launched joint learning and building activities with the discipline inspection bodies of second-tier enterprises; the Group organized and presented four thematic seminars, such as the "1246" model of CRH's characteristic state-owned capital investment companies, several issues on the fight against corruption and several issues on the work of good conversation and questioning. The Group held a training course on the theme of "integrity creates value and compliance protects development" for over 3,160 participants. For the first time, a talent pool for the Group's disciplinary, inspection and supervision system was established, with 81 key personnel

with rich experience in discipline and law enforcement and outstanding professional skills selected at various levels to join the pool. By means of "upward linkage and downward assignment" and "training by doing", 52 business cadres were selected to be seconded to the Central Commission for Discipline Inspection, the National Supervisory Committee and the local Commission for Discipline Inspection for training, and 98 second-tier enterprise discipline inspection cadres were deployed to the Group's Discipline Inspection and Supervision Committee to take part in the handling of letters, cases and specialized work, so as to help the cadres improve their practical level of supervision and discipline enforcement.

Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Small and Medium-Sized Investors

CRH continued to strengthen investor relations management and establish a multi-level positive interaction mechanism. Since the addition of the investor relations management function in 2021, the Group's headquarters has continued to consolidate the overall planning, guidance and management functions. In 2023, CRH's investor relations work guidelines were formed to further strengthen the guidance and promotion role; the Group continued to promote the sound investor relations management of newly acquired listed companies, in line with the requirements of the SASAC to "strengthen investor relations". CR Pharmaceutical assisted Boya-Bio and CR Gas to assist Chongqing Gas in completing the establishment of investor relations management systems, and assisted newly acquired listed companies to enhance the image of the capital

market. By empowering and comprehensively improving its disclosure standards, CR Pharmaceutical quickly promoted the disclosure rating of Boya-Bio from grade C to grade B. China Resources Gas and Chongqing Gas conducted a joint road show for the first time to increase market attention and enhance the market visibility and value realization of listed companies.

In addition, CRH continued to improve its information disclosure system, established a good image in the capital market, and continued to play an exemplary role. According to the latest exchange information disclosure evaluation results released in 2023, among the 9 A-share listed companies of CRH, the number of A-level companies has increased from 3 to 6.

Listed companies under the Group's control actively organized results presentation and received positive response from the capital market

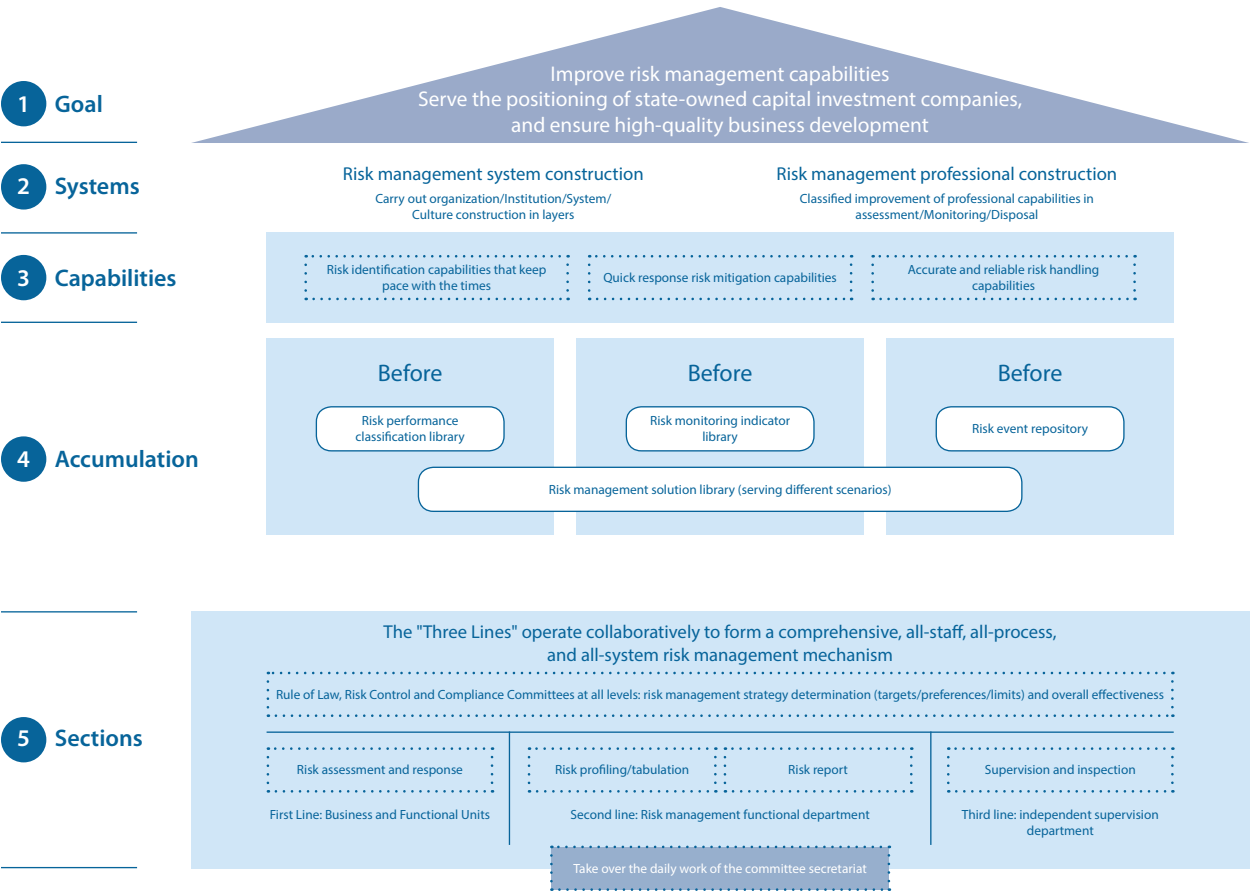


In 2023, the Group's listed companies actively held performance briefings. After the briefings, the Group's listed companies held a total of 307 roadshows, covering 1,736 key investors. Among them, CR Land and CR Mixc Lifestyle carried out joint overseas roadshows in Singapore, forming a synergy in the capital market. The stock prices of listed companies rose by an average of 0.7% in the week after the results were released, among which Dong-E (+16.0%), Jiangzhong (+14.3%), and CR Mixc Lifestyle (+8.6%) have a better gain. After the results were released, investment banks updated the ratings and target prices of the Group's listed companies. All 39 investment banks covering CR Land gave it a buy rating, and the target prices of CR Healthcare, CR Beer, and CR Cement increased by 16%, 12%, and 10%, respectively.

Improving the Risk Management Mechanism and Significantly Enhancing Risk Prevention and Resolution Capabilities

First, the Group continued to focus on risk prevention in key areas. The Group strengthened the penetration management of highly indebted subsidiaries, strictly prohibited mergers and acquisitions of high-premium and highly indebted enterprises that do not conform to the development trend of the industry, strengthened the supervision of financial business, and strictly controlled the exposure to foreign exchange risk.

The second is to improve the risk monitoring and prevention mechanism. Taking CRCL as the basic model, the Group integrated legal, compliance, internal control and risk management functions to effectively improve the effectiveness of legal management and risk management and control. The Group further promoted the thorough management of the audit system and carried out more than 400 audit projects throughout the year.



The cornerstone of
model operation

✦ "12345" risk management model with CRH's characteristics

The Group adhered to the "online" positioning of the Legal Compliance and Risk Control Management System (CRCL) for risk management to help improve business development, optimized the work closed loop of "risk identification and

assessment, monitoring and early warning, and incident reporting and handling", forming a "12345" risk management model with CRH characteristics, organizing and carrying out various risk management work.

Commitment and Performance

Commitment Made in 2023



The Group would adhere to the strict tone and consistently implement red line and bottom line requirements, so as to fundamentally eliminate internal corruption; curb the risk of loopholes in investment management; address corruption problems in key areas and key links, such as commercial sales, engineering construction, bidding and procurement, investment and mergers and acquisitions, and credit grant and lending; and guard against micro-corruption and grassroots corruption.

The Group would strive to meet the SASAC's optimization and adjustment of the business indicator system for central state-owned enterprises in 2023 by adjusting the "two profits and four rates" to "one profit and five rates", with the overall objective of "one increase, one stability, and four improvements".

The Group would expand effective investment in these two directions and effectively increase the proportion of investment in consumer products, healthcare, technology, and emerging sectors. For investments in people's livelihood, the Group would focus on quality and efficiency; while for investments in being the pillar of a great power, the Group will focus on building core competitiveness.

While accelerating investment, the Group would increase exit efforts. With respect to structural optimization, the Group would formulate asset disposal management measures, establish exit criteria, improve working mechanisms, accelerate the stripping of non-core and non-advantageous businesses and the disposal of invalid and inefficient assets, and strengthen the supervision and assessment of the projects.

The Group is committed to accelerating its Smart CRH strategy by promoting industrial digitalization, digital industrialization, and data factorization. Additionally, the Group will actively participate in the development of the digital economy, leveraging digital intelligence to enhance efficiency and reduce costs.

The Group is committed to strengthening its strategic synergy and regional development information base, and helping enterprises in need of resources to acquire government resources. In acquiring resources and promoting synergistic development, the Group will adopt a market-oriented approach and foster internal synergy through mutually beneficial and win-win business models.

Commitment Performed in 2023



The improvement of party conduct and clean government and anti-corruption work were further advanced. The Group promoted the construction of CRH's characteristic "three no's" mechanism in an integrated manner, persistently corrected the "pointless formalities, bureaucratism, hedonism, and extravagance", continued to improve the "big supervision" work system, strived to promote special rectification work such as relying on enterprises to take advantage of enterprises, and overseas corruption. The Group also promoted high-quality internal inspections comprehensively, sending a strong signal that "the further we go, the stricter it will become." The Group handled complaints, reports and problem clues handed over by the inspection team with high quality and efficiency, investigated and dealt with a number of major and important cases quickly, and increased the intensity of notification of typical cases to create a strong deterrent effect.

The Group achieved operating income of RMB889 billion and total profit of RMB88 billion, both ranking firmly in the forefront of central state-owned enterprises, with increases of 8.6% and 5.3%, respectively. They were higher than the overall growth rate of central state-owned enterprises. The operating cash flow for the whole year was significantly better than the budget; the labor productivity of all employees increased by 3.7% year-on-year; the "one profit and five rates" and assessment indicators basically met the requirements of the SASAC, and the quality of development continued to improve.

In 2023, the Group vigorously deployed strategic emerging industries and accelerated the investment in new areas such as integrated circuits, biotechnology, new energy, and new materials. The completed investment in new industries increased by more than 20% year-on-year, and new investment and revenue proportion increased significantly.

In 2023, the Group held a total of 3 scale-down meetings to study the "non-core and non-advantageous" and the sorting out of business transformation and reshaping. The Group has 10 "non-core and non-advantageous" businesses. All of them have formulated exit plans including timetables and responsible persons. Most of the "non-core and non-advantageous" businesses have already carried out substantive exit work; there were 15 transformation and reshaping projects. Optimization plans including business positioning, optimization direction and specific measures have been formulated.

The Group has accelerated the in-depth integration of digital technology and physical industries and has basically achieved its expected goals. The Group's overall digital coverage of key business links reached 50.8%, an increase of more than 20 percentage points from the early stage of the "14th Five-Year Plan".

The Group continued to strengthen communication with local governments and strived to promote regional coordinated development to a sound development track with sound organizations and mature mechanisms. A number of major projects have been implemented in the "1+6" region, building a better platform for promoting the coordinated development of diversified businesses. With vast space and development opportunities, the Group's ability to serve the country's regional development strategies continued to improve.

Commitment Made in 2024

The Group should take the opportunity to conscientiously implement the central inspection and rectification, focus on finding and solving outstanding problems that restrict high-quality development, and address the root causes of the problems. After the centralized rectification period, the Group should continue to promote regular rectification, integrate rectification into daily work, deepen reform, and integrate into comprehensive and strict party governance and team building.

"One profit" is growing steadily, and the "five rates" are continuously optimized. That is to say, corporate efficiency will steadily improve, with gross profit, net profit and net profit attributable to the parent growing in tandem and striving to keep pace with the growth of the national economy; return on net assets, full-time labor productivity and operating cash ratio will improve year-on-year; the strength of R&D investment and the efficiency of scientific and technological output will continue to improve; and the overall gearing ratio will remain stable.

Focusing on the national strategy, the Group will steadfastly promote the research and development of key core technologies; focusing on the needs of enterprises, the Group will intensify its efforts to shape the new impetus for high-quality development.

The Group will make every effort to build up its ability to withdraw from the industry, clearly define quantitative indicators, formulate a list of "non-core and non-advantageous" businesses, implement the requirements for rigid withdrawal, fully utilize the functions of CRH assets, and push the Group's withdrawal from the "non-core and non-advantageous" businesses to make a substantial breakthrough within the year. The Group will intensify its efforts in coordinating the governance of loss-making enterprises, strengthen tracking supervision and special assessment and evaluation, and strive to satisfactorily fulfill the control requirements of the SASAC.

The Group should actively promote digitalization, intelligence, greening and low-carbonization, and make a breakthrough to higher value segments.

The Group's "1+6" regional working group platform should be fully utilized to strengthen the Group's horizontal connection at the regional level, and to achieve effective synergies through timely interactions.



Story II

Pillars of the New Era in the Country



Chief Engineer of Power Device Business Group of CR Micro

Li Ping



Ma Chao

Operation and Maintenance Technician of Customer Service Department, Zhengzhou Branch of CR Gas

In Zhengzhou in June, under the scorching sun, the technicians of Zhengzhou China Resources Gas Company are undergoing intensive training at the outdoor training ground. They are preparing for the upcoming group-wide technical competition. Just like eight years ago when Ma Chao was preparing for the "Gas Cup", the company leaders are once again delivering mung bean soup, Huoxiang Zhengqi water and watermelon to help employees beat the heat. The difference is that Ma Chao has grown into a seasoned technical expert and is now passing on his competition experience to younger colleagues.

Implementing the primary responsibility of talent cultivation, ensuring the transformation of innovative achievements, and building a collaborative and thriving platform for development and focusing on the responsibility of "people's livelihood" and "the pillar of a great power", China Resources Group views the establishment and reform of the industrial worker team as a critical task in its strategy of strengthening the enterprise with talent. China Resources Group adopts targeted training tailored to individual needs, providing ample opportunities for growth for various types of talents, including exemplary workers and skilled technicians.

Veteran Ma Chao has grown from a "novice" in the gas industry to an outstanding craftsman and national labor model. Former university researcher Li Ping is transforming past theoretical achievements into tangible products, contributing to the self-reliance and strength of the nation's microelectronics industry.

Inheriting the Spirit of Role Models, the Craftsmanship Upholding the Backbone

In February 2012, 24-year-old Ma Chao joined Zhengzhou Branch of CR Gas. Fresh out of the field army, he entered the job with great enthusiasm and became an indoor gas installation and maintenance worker. As an ordinary worker, Ma Chao's daily tasks involved household installations, inspections and repairs. However, the repetitive nature of the work quickly wore down Ma Chao's enthusiasm. Boredom and confusion began to cloud his mind.

The team leader also noticed the change in Ma Chao's demeanor. To encourage him, the team leader signed him up to attend the "Master Niu Medal" recipients' experience-sharing session. The spirit of "sincere service and relentless pursuit of excellence" demonstrated by the exemplary employee, Master Niu, suddenly enlightened Ma Chao. "What touched me was that no matter what position you are in or what you are doing, as long as you persist and never give up, you can always achieve remarkable results," said Ma Chao.

From that moment on, Ma Chao's mindset changed. He told himself, "To forge iron, one must be strong," and proactively followed Master Li Aimin and Master Li Qiang to learn on-site, participating in solving various maintenance issues. According to Shi Yonggang, Deputy Director of the Mass Work Department of China Resources Group, Li Aimin, a gold medal technical instructor at the company, has mentored over a dozen apprentices and signed master-apprentice agreements with seven of them, three of whom went on to win the National and Henan Province "May 1st Labor Medal." When the young Ma Chao felt restless, Master Li Aimin shared his own experiences of diligent practice—for instance, how long he persisted in hammering ingots or how many times he needed to grind a hammer.

"Ask more and do more" became Ma Chao's self-requirement. If he encountered issues he did not understand during maintenance, he would immediately ask questions and earnestly request the experienced masters to criticize and correct his mistakes at any time. After two years, he gradually shed his novice status and mastered professional skills. "Going out with immature skills made me very nervous," Ma Chao laughed. "It wasn't until after two years with the company that I truly felt the sense of security that comes from mastering a skill."

Participating in the "Gas Cup" vocational skills competition was another test for Ma Chao. "The training camp adopted military-style management, which gave me a sense of nostalgia and excitement as a former soldier," Ma Chao recalled. Every morning, the alarm clock would ring at six, and he would quickly wash up and head to the training ground. To make up for the gap with others, he would arrive earlier than others in the morning and continue to practice his weaknesses after class, sometimes not leaving the training ground until after nine at night.



"There are no shortcuts, just practice," the instructors at the training camp told Ma Chao. He broke down the actions step by step, repeatedly practicing the key points until they became muscle memory. During one practice session on pipe cutting, Ma Chao gritted his teeth and practiced sixty to seventy times until he finally achieved a uniform cut with smooth edges.

These efforts and sweat not only helped him secure first place in the Henan provincial selection competition but also earned him the top spot in the national "Gas Cup" vocational skills competition.

"Before mastering a skill, you must first learn how to be a good person." The first words from Master Li Aimin on the training ground are still fresh in his memory.

Today, Ma Chao has become a mentor to others. "I believe that my generation should play an intermediary role, passing down the meticulous skills and diligent research mindset of the older generation while integrating them with the innovative thinking, methods, and ideas of the younger generation," Ma Chao explained. "That's how I understand the concept of 'passing on, helping and guiding'."

Breaking Through Technological Barriers, Pursuing Pragmatism to Build Heavy Equipment

A new wave of technological revolution and industrial transformation is surging.

Li Ping, now 32, decisively left his position at a college three years ago and joined CR Micro to work on power semiconductor design. He quickly transitioned from academia to industry and became involved in the research and development of the next-generation superjunction MOSFET platform.

As a type of power semiconductor, superjunction MOSFETs are widely used in products such as new energy vehicles, charging stations and communication power supplies.

Building on the preliminary research of the scientific team and leveraging his solid theoretical foundation, Li Ping brought his product to mass production in just eight months. For Li Ping, who previously worked in academic research, this was extremely exciting. The tangible product felt like his own child: "being capable of reaching world-class standards makes one very proud."

However, the path of scientific research is not always smooth. As part of the industrialization process, Li Ping and his research team often replicate results based on existing literature. But during one research project, Li Ping found that he could not achieve the expected results following the methods described in the literature.

To address this, Li Ping and his team repeatedly reviewed existing research findings, attempting to identify patterns and pinpoint the root of the problem. They also re-examined the product's physical mechanisms from scratch, persistently asking, "What is going on here?" Eventually, they discovered that the existing literature might itself be flawed. After one to two years of revalidation, Li Ping and his team developed a better model than those described in the literature, successfully solving the technical challenges.



In 2023, Li Ping was selected for the "Young Talent Support Program" by the China Association for Science and Technology.

Compared to his time in college, Li Ping finds that at CRH, there are more abundant platform resources and practical opportunities, while the pursuit of innovation remains unchanged.

Scientific and reasonable R&D planning, ample international academic exchange opportunities, thoughtful and detailed project application support, and timely and effective cross-departmental technical exchanges are all crucial supports provided by CRH for innovative talents like Li Ping. This has enabled industrial technologists to play a key role in tackling critical core technologies. According to Shi Yonggang, as of now, CRG has completed 25 "breakthrough" projects across five major technological directions, with 10 expected to achieve international leadership by 2025, 15 reaching international parity, one receiving national-level project support, and two receiving provincial-level science and technology project support.

Focusing on the responsibility of "people's livelihood" and "the pillar of a great power", China Resources Group is integrating the reform of the industrial worker team building into the entire process of enterprise policy formulation and work advancement. "The Group will systematically advance the deepening demonstration work of industrial worker team building reform, focusing on key tasks such as ideological guidance, skill enhancement, achievements, status improvement, and team expansion for industrial workers, to gather strong momentum for the high-quality development of the enterprise," emphasized Shi Yonggang, Deputy Director of the Mass Work Department of the Group.

Concept and Vision

We regard our employees as the driving force for our development. We respect the human rights of each employee, value individual growth, and strive to create a positive workplace as best as we can. We are committed to providing a decent and healthy life for each CRH employee while ensuring the balance between their work and family.

SDGs Responses



HKEX ESG indicators covered in this chapter:
B1.1 B1.2 B2.1 B2.3 B3.1 B3.2 B4.1 B4.2

Total number of employees

2021	363,000
2022	375,000
2023	390,200

Number of new employees

2021	80,000
2022	69,000
2023	72,600

Labor contract signing rate

2021	100 %
2022	100 %
2023	100 %

Coverage of social insurance

2021	100 %
2022	100 %
2023	100 %

Percentage of female managers (under direct administration of the Group or of affiliated companies)

2021	16.7 %	2022	18.3 %
2023	19.2 %		

Days of per capita average paid leave

2021	2022	2023
8 days	8 days	8 days

Average salary

2021	2022	2023
RMB 126,100	RMB 130,400	RMB 137,200

Employee turnover rate

2021	2022	2023
24.2 %	20.1 %	19.3 %

Aid to employees with difficulties

2021	1,568 persons	RMB 3,948,100
2022	2,862 persons	RMB 5,610,700
2023	2,673 persons	RMB 5,615,200

Visiting employees with difficulties

2021	2,892 persons	RMB 1,693,400
2022	4,064 persons	RMB 2,614,200
2023	3,016 persons	RMB 2,833,100

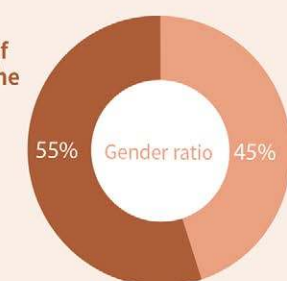
Aid to children of employees with difficulties to go to school

2021	295 persons	RMB 514,500
2022	275 persons	RMB 361,600
2023	503 persons	RMB 830,300

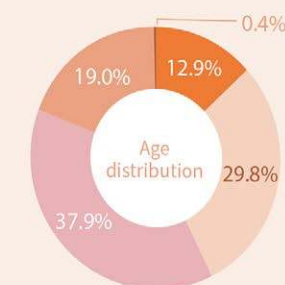
Aid to employees with illness

2021	3,898 persons	RMB 6,042,900
2022	2,779 persons	RMB 7,073,500
2023	4,544 persons	RMB 7,232,700

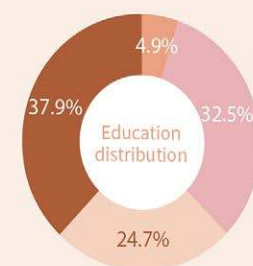
Total number of employees at the end of 2023: 390,200



■ Percentage of males
■ Percentage of females

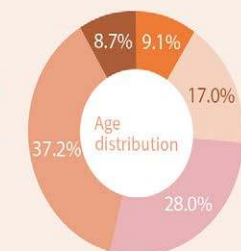


■ <20 years old
■ 20-30 years old
■ 30-40 years old
■ 40-50 years old
■ >=50 years old



■ High school and below
■ Undergraduate
■ Junior college
■ Graduate and above

Turnover rate:
In 2023, CRH's total turnover rate was 19.3% and voluntary turnover rate was 16.8%, excluding Vanguard's turnover rate of 16.2% and voluntary turnover rate of 14.4%



■ <20 years old
■ 20-30 years old
■ 30-40 years old
■ 40-50 years old
■ >=50 years old

More Multi-dimensional Employee Rights and Interests Protection

We adhere to implementing laws and regulations, as well as work requirements, optimizing the remuneration and welfare system while balancing efficiency and development. We ensure employees' social welfare, provide clear employment channels and career development pathways, and strengthen the organizational culture to create an equal employment environment, thereby enhancing talent attraction and social influence. In 2023, the Group did not have any major labor disputes and received no complaints on human rights issues.

Remuneration and Welfare System

Strengthening Support for Frontline Employees' Total Wages

We have established allowances and subsidies for difficult regions and challenging positions, improved the wage growth mechanism, and steadily increased the income levels and job security for frontline employees. We encourage our subsidiaries to enhance efficiency and labor productivity while establishing allowance and subsidy systems for challenging positions and regions according to actual business conditions. Additionally, we have implemented wage growth mechanisms for frontline employees, setting up allowances for urgent, difficult, dangerous and labor-intensive positions to ensure their income is adequately protected.

Compared to the beginning of the 14th Five-Year Plan period, the average wage of frontline employees across the Group has increased by

75.14 %

Strengthening Support for Total Wages in Technological Innovation

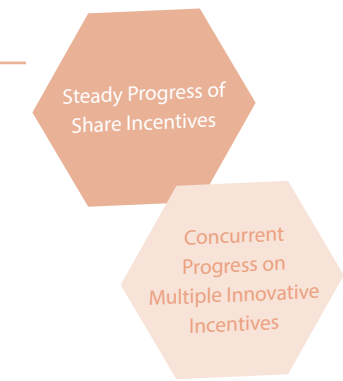
We focus on supporting the total wages for innovation incubation enterprises and key scientific research talent. Innovation incubation units are provided with a three-year incubation period, during which total wages are determined based on business needs and staffing levels. We support strategic emerging industries, key scientific breakthrough research projects, and high-level R&D talent by aligning their remuneration with market averages or above. The total wages, including remuneration and special rewards for scientific achievements, are managed separately.

Compared to the beginning of the 14th Five-Year Plan period, the total wages for key scientific innovation talent and special rewards for scientific achievements across the Group have increased by

5 Times

Innovative and Flexible Incentive Methods

Ten other units including CR Sanjiu, CR Double-Crane, CR Jiangzhong, CR Micro, CR Chem-Mat continue to push forward the implementation of medium and long-term restricted incentive mechanisms. In 2023, CR Micro completed the grant of the reserved portion of the restricted shares, and its subsidiary DIS Microelectronics completed the reserved portion of the mixed-ownership reform. The restricted share incentive plans of CR Jiangzhong and Dong-E-E-Jiao passed the preliminary review by the State-owned Assets Supervision and Administration Commission (SASAC).



Fourteen units, including CR Sanjiu, CR Double-Crane and CR Micro, have established special technology innovation rewards based on "The Science and Technology Innovation Incentive Management Measures of China Resources Group" and in line with business development needs. These rewards include the R&D Project Milestone Award, R&D Project Revenue Sharing Award, Technology Innovation Excellence Award and Scientific Achievement Evaluation Award. Among them, CR Sanjiu introduced the management measures for the profit-sharing of innovative projects, and IMEPI Group Co., Ltd., a "Technology Reform Demonstration Enterprise" under CR EnvProtection, has formulated an excess profit-sharing plan.

By making full use of the reform "toolbox" and "policy package", we have tailored strategies based on enterprise-specific policies and implemented differentiated medium- and long-term incentives for key talents.

Employee Social Security

Standardizing Enterprise Annuity Management and Enhancing Employee Welfare Protection

Adhering to the national deployment for improving the multi-level pension security system, as of the end of 2023, the Group's headquarters, 22 business units and two directly-affiliated organizations established enterprise annuities for their employees, with over 200,000 individual accounts at the end of the period. Cumulatively, 16,000 retired employees have received annuity payments. Meanwhile, investment management at all levels of the Group has been strengthened, with the enterprise annuity fund yield consistently outperforming the market average, thereby ensuring the preservation and appreciation of the fund's value.

Eradicating Wage Arrears and Safeguarding Wage Payments for Migrant Workers

Efforts to safeguard the payment of migrant workers' wages have been strengthened through research and implementation of measures across business units. Measures to eradicate wage arrears have been solidified, with a heightened emphasis on awareness, responsibility and urgency. Any incidents of wage arrears are required to be reported, investigated and resolved promptly, thereby ensuring our full implementation and strong uphold of the "zero wage arrears" bottom line. These efforts are crucial to safeguarding the legitimate rights and interests of migrant workers and maintaining social harmony and stability.



CRH was invited to participate in the 4th "Innovating Hong Kong - Global Talent Carnival", a recruitment fair.

Equal Employment Opportunities

Actively Promoting Employment for College Graduates and Hong Kong Youth Talent

Implementing the Spirit of the 20th CPC National Congress: "Employment is the Greatest Livelihood", the Group has effectively implemented job stabilization and employment measures by increasing investment and deeply exploring market demand, , so as to ensure overall stability in the Group's recruitment scale and employment absorption capacity.

In alignment with the national policy on college graduate employment, we have held special recruitment fairs in spring, summer and autumn with great momentum. In 2023, the Group planned to recruit 5,860 college graduates and actually recruited 6,094, an increase of 1.5% compared to 2022. This steady growth in recruitment scale successfully met our recruitment targets, showcasing CRH's commitment to supporting livelihoods and maintaining overall stability.



CRH organized special recruitment events for college graduates from Tibet, Qinghai and Xinjiang.

In accordance with the "Notice on Further Improving Employment and Entrepreneurship for College Graduates and Other Youth" issued by the General Office of the State Council, we focused on the needs of college graduates who graduated within the past two years and the youth aged 16-24 who were unemployed. As of the end of December 2023, a total of 435 internship positions were recruited, with plans to recruit 922 interns. Of these, 724 are actually at position, with 500 completing their internships, and a cumulative internship subsidy of RMB1,780,000 was applied.

We also participated in special recruitment events organized by central state-owned enterprises targeting college graduates from Tibet, Qinghai and Xinjiang. The Group posted a total of 146 job positions, received 3,932 resumes and hired 33 individuals. This performance ranked among the top in central state-owned enterprises, earning a letter of appreciation from the local government.

The Group also implemented talent recruitment activities organized by the SASAC, the Shenzhen Municipal Government and the Hong Kong Chinese Enterprises Association. These activities included participation in the Conference on International Exchange of Professionals, recruitment fairs for overseas students, and recruitment presentations for Hong Kong students from Chinese Mainland colleges, creating a positive atmosphere for stable employment promotion.

The Group operated the "China Resources Recruitment" and "China Resources Hong Kong Recruitment" WeChat official accounts to establish a platform for promoting CRH's employer brand. These accounts have a total of 201,000 followers, with 137,000 new followers in 2023, representing a remarkable 68.2% growth rate. In 2023, we published 96 articles, with a total readership of 1.212 million, ranking among the top in terms of influence among recruitment-related public accounts operated by state-owned enterprises.



"China Resources Recruitment" WeChat Public Account Page

Employment of People with Disabilities

We actively participated in the "Employment Assistance for People with Disabilities—Hand in Hand to Realize Dreams" special recruitment event organized jointly by the SASAC and the China Disabled Persons' Federation. The Group coordinated the release of 60 job positions, with plans to employ 107 people with disabilities, continuing its efforts to achieve adequate and higher-quality employment for the disabled. This initiative received high recognition and commendation from SASAC.

We have also established a mechanism for regular visits and condolences to promptly understand employees' family situations and actively monitor their physical and mental health. Through labor unions, the Group provides certain assistance and support during important holidays such as the Spring Festival, Labor Day and National Day. Targeted assistance is also offered to address the personalized needs of employees with disabilities, helping alleviate any concerns they may have regarding their work and life.

We promote mutual help among employees and cultivate the culture of no discrimination, contempt or differential treatment, providing a free and equal working atmosphere for employees with disabilities.

The Group fulfilled the mission and responsibilities of a central state-owned enterprise, focused on increasing employment opportunities for special groups, emphasized the physical and mental health of people with disabilities, and strived to create a positive atmosphere that encouraged their better integration into their roles and society, all of which represented CRH's continuous efforts for making contributions.



Through the "passing on, helping and guiding" mechanism, mentors are assigned to help employees with disabilities better adapt to their positions. Internal training and skill certification programs are improved to assist employees with disabilities in participating in vocational skills training and assessments for enhancement of their skill level and the alignment between their abilities and job requirements.

The Group also optimizes and improves the labor treatment for employees with disabilities, ensuring their full entitlement of the Group's remuneration, welfares and promotion policies based on the principle of equal pay for equal work. The rights and interests of employees with disabilities are safeguarded, with a focus on their career development.

Strengthening CRH's Talent Attractiveness and Social Influence

The Group has coordinated with its various business units to deeply explore potential talent demand, make every effort to expand job opportunities, reserve talent for transformation and development, promote the corporate philosophy, and establish a new employer brand image for central state-owned enterprises in the new era.

In 2023, CRH received multiple employer honors, including the "2023 China Annual Best Employer," "2023 Extraordinary Employer," "2023 Employer Brand Management Model Award," "2023 Top Ten Outstanding Youth-Friendly Employer Brand Award," "ESG Best Practice Employer," and "Best Employer for College Students at Shenzhen University".



The Group hosted the "I SEE I KNOW" Hong Kong Youth Understanding Motherland Events in Liaoning



The Group held the Youth Welcome Day for "Qingyun Qimeng" pre-career preparation program in Hong Kong



CR Micro, CR Chem-Mat and CR Digital co-hosted a new employee training camp



The Group held the first "Taiwan Intern Visit Program" themed event



CR Ng Fung organized business insight exchange for Hong Kong youth employees in Shenzhen



CR Enterprise led Hong Kong university students to visit Shaoshan Hope Village for educational support

More Attitudinal Employee Growth System

We uphold the talent development principle of "respecting human values, developing human potential and enhancing human mind", establish CR Party School and the CR Learning and Innovation Center under the "One School, One Center" model and strive to build an open innovation platform that integrates "industry, university, research institutes and application". We emphasize the cultivation and evaluation of key positions, Party members and cadres, scientific and technological talent and outstanding youth, creating a diverse employee growth system through stratified and categorized approaches. Together, we drive the Group's "3+1" talent team strategy forward.

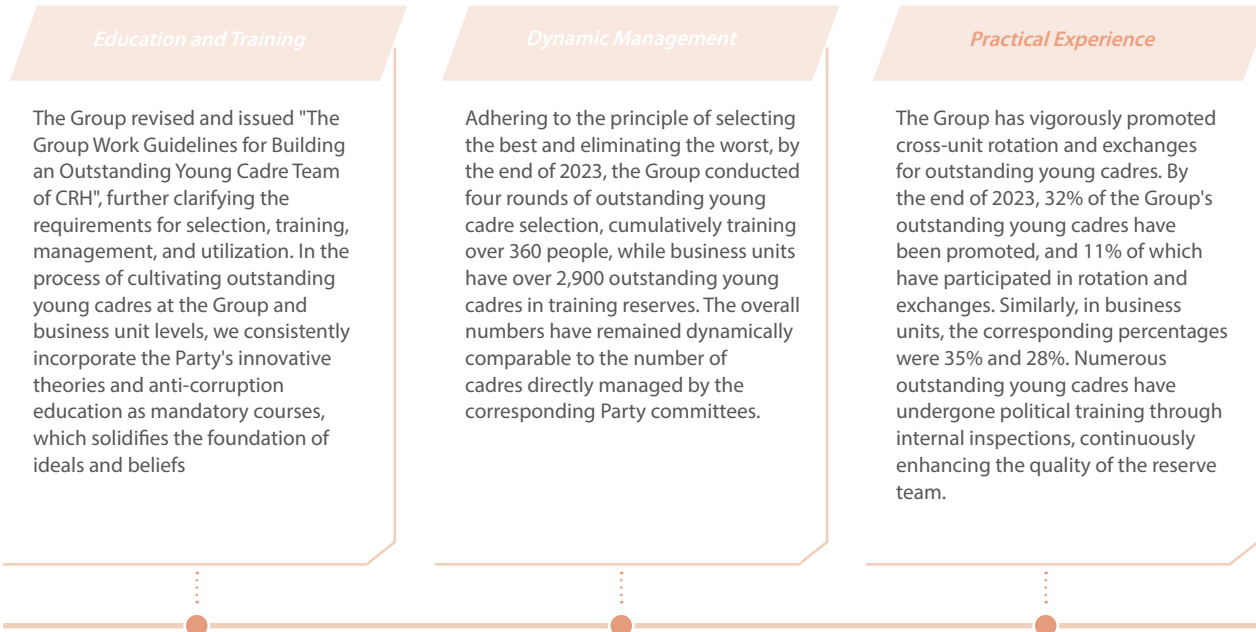
Talent Development

We adhere to equipping the talent team with the Party's innovative theories, focusing on the ideological and theoretical education of Party members and cadres.

We have established CR Party School, adopting a "One School, One Center" model to specify its positioning, basic tasks, training goals, leadership system and class system. This initiative creates an important base for the ideological and theoretical education of Party members and cadres, marking a new chapter for the Group in organizing and managing the Party school. We organized intensive training sessions on

studying and implementing the spirit of the 20th CPC National Congress, which included eight key courses covering high-level training, Party-building workshops, strategic management talent development, training for grassroots Party organization secretaries, the "CR Philosophy", and 14 functional line training programs. These initiatives aim to enhance political capabilities and practical skills.

Continuing to Strengthen the Education and Management of Young Cadres with a Focus on Special Training Programs, Making Significant Progress in Building a Team of Outstanding Young Cadres



The "Youth Marxist Project" Training Program of CRH Selects and Cultivates Young Political Talent



The China Resources Youth League Committee has fully implemented the Youth Marxist Project, with three sessions conducted at the Group level. Through red education, practical training and follow-up cultivation, 89 students have successfully graduated, with 38 receiving job or rank promotions. The project has been extended to all business units and is gradually being rolled out to third-level units. Across all levels, the Youth Marxist Project has trained a total of 1,640 participants, with 147 receiving job promotions and 383 receiving rank promotions.



Emphasizing and Reinforcing the Training of Scientific and Technological Talent

Focusing on core technology fields such as semiconductors and biomedicine, the Group has collaborated with eight colleges to advance talent-specific training programs and make new progress. The Group has held two sessions of Young Technological Leaders Training Program and implemented the

Group's Youth Talent Lifting Project. The Group's postdoctoral workstations and innovation practice bases have expanded to 18, with 15 new postdoctoral fellows joining in 2023 (including four from the Group's workstations), bringing the total number of postdoctoral fellows in the Group to 44.

Vocational Training and Career Development

The Group issued "The Professional Title Management Measures of CRH", highlighting clear guidance on character, ability, performance, and contribution. The measures standardized the responsibilities, evaluation procedures and work discipline for the professional titles review process. For the first time, the Group organized the evaluation of professional titles in the engineering, economics and accounting sectors. In 2023, a total of 2,176 people applied for the Group's independent evaluation of professional titles. Building on the 2022 achievement of obtaining independent review rights for professional titles in the engineering, economics and accounting sectors, the Group also obtained independent review rights for senior professional titles in the national health sector, in 2023, filling the gap in the Group's independent review rights in the health sector.



The Group issued "The Skilled Talent Team Building Work Guidelines of China Resources Group", specifying the focus areas for cultivating, utilizing, evaluating and incentivizing skilled talent. The Group continued to organize the evaluation of scientific and technological talent, with three new leading talents recognized in 2023. The Group also continued the selection of outstanding skilled talent, with 48 outstanding craftsmen recognized in 2023, bringing the total to 84. Craftsmen talent was invited to participate in the Group's annual honor ceremony, where their achievements were publicized and celebrated, fostering a positive atmosphere of respect for labor, admiration for innovation and encouragement of practical work.

A Warmer Employee Care Mechanism

We listen to the actual needs of our employees, care for their physical and mental well-being, and focus on providing care and support to female employees, frontline workers in remote areas and retirees. Through our employee care project "Runxinfang", we continue to advance our mental health branding initiative, creating a warm and caring corporate family.

Enhancing the Level of Professionalization and Systematization of Employee Care Initiatives

The Group issued important documents including the "China Resources Group's Employee Psychological Self-help Handbook" and the "China Resources Group's Employee Mental Health Crisis Early Warning Work Guidelines (Trial)". Additionally, we completed revisions to the "China Resources Group's Management Measures for Ambassador Professional Team", "Runxinfang - Employee Care Service Station Management Plan" and the "Runxinfang - Part-time Team Building Plan", driving the transformation of systems, processes and standards into actionable results.



Providing Effective Mental Health Support for Key Groups

We formed the "CRH's Ambassador Lecture Team" to deliver sessions on "Workplace Adaptability for CRH New Employees" at the Group's 10 "Future Star" training camps nationwide. In each camp, 19 "Runxinfang Care Rooms" were established, with nearly 100 CRH's Ambassadors participating in rotation-based care services over 15 days, providing a total of over 900 hours of service and conducting nearly 1,000 interviews. We also launched the annual "New Employee Accompaniment Program", providing support to over 2,600 new employees. Through listening, accompanying, sharing and communicating, the Group helped new employees adapt to the workplace environment, transition smoothly into their roles and achieve professional growth.

We addressed the concerns and urgent needs of Hong Kong employees by organizing the "Path of Love: Full of Care for Hong Kong" special research and care service. This initiative involved on-site visits to the frontline, stores, production workshops and work environments of corporate projects in Hong Kong, conducting care exchanges through observational research and one-on-one interactions, gathering feedback from Hong Kong employees and promoting and practicing organizational culture. The event lasted for 10 days, during which more than 50 CRH's Ambassadors conducted research and care services in two batches across 14 major business units in Hong Kong, covering a total of 1,500 Hong Kong employees.

We conducted specialized research and care support services, innovating a research model that combines "immersive observation + caring interviews." This initiative lasted for a total of 49 days, covering 10 cities, with 163 CRH's Ambassadors participating in batches. The observation and research involved nearly 7,000 employees across four business units, including CR Double-Crane, CR Micro, CR Chem-Mat and CR EnvProtection. The initiative produced 10 interview and research summary reports, providing management references and data support for the Group and related business units.

Industrial Workers Group

Caring for Female Employees and Special Groups



The CR Trade Union and CR Corporate Service jointly held the "Women's Care Week" employee care activities.

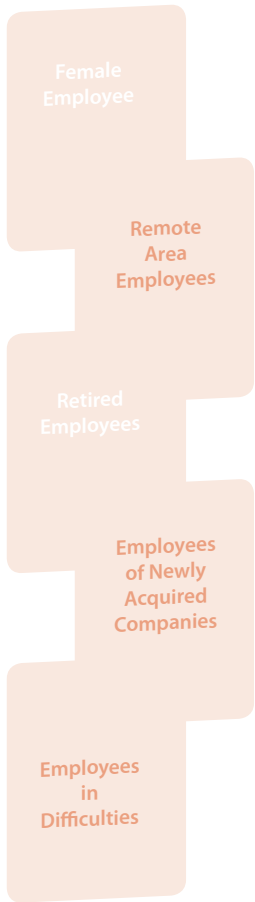


"Xinhua Youth" visited Jingzhi Liquor under CR Beer which showcased CRH's history and culture.

The Group organized a series of "Women's Care Week" activities, with over 200 female employees participating on-site and over 80,000 people engaging online. During the event, the "National May 1st Women's Pacesetters" were invited to give a special sharing session for female science and technology talents in the field of "Pillars of a Great Power; the Group's contracted psychological counseling experts were invited to deliver a "Empowering Women in the Workplace" psychological empowerment lecture; popular science lectures were held jointly with the Third Hospital of Peking University, while free clinics with renowned experts were provided.

The Group also provided emergency rescue knowledge training for retired employees at its headquarters in Beijing, Shenzhen, and Guangzhou to teach emergency rescue skills, improve emergency response capabilities and promote essential knowledge of self-rescue and rescue of others. Nearly 100 retired employees obtained emergency rescue training certificates.

The Group has provided rescue and relief during disasters with care and support. Throughout the year, the Group spent a total of RMB5,615,200 to comfort 2,673 employees in difficulty, spent RMB2,833,100 to visit and comfort 3,016 families of employees in difficulty, donated RMB 830,300 for the education of 503 children of employees in difficulty, and donated RMB 7,232,700 to aid 4,544 employees with illness.



The Group has also organized visits to areas in Inner Mongolia, as well as Hotan and Kashgar regions in Xinjiang, which are national Class II and Class V remote and impoverished regions respectively, to convey the Group's care and concern to the grassroots frontline.

For the newly acquired enterprises under the Group's business units, we timely carried out the publicity and integration of CRH's strategies, organization and culture based on the actual situation of the enterprises and industries for the alignment and promotion of various systems, thereby enhancing organizational identity and the integration of spiritual values.

More in-depth Grassroots Democratic Management

We adhere to a people-oriented philosophy, actively listening to grassroots voices, continuously improving consultation mechanisms and channels, and establishing and perfecting the union and workers' congress systems to protect employees' rights and build consensus for development.



CRH has organized empowerment training courses and exchange discussions for trade union cadres at all levels.

Advancing Grassroots Union Construction

In accordance with "The Implementation Plan on Further Strengthening the Construction of the Group's Trade Unions and Employee Representative Meetings", during 2023, the number of trade unions increased by 28.8% from 1,090 at the beginning of 2022 to 1,532, while trade union membership grew from 312,000 to 353,000, covering almost all CRH's employees in Mainland China. The Group has also built platforms, mechanisms and carriers to gradually release the efficiency of unions at all levels.

Improving Democratic Management of Employees

The construction of employee representative meetings has been included in the assessment of the responsibility system for party building work. This promotes the establishment of employee representative meetings in business units and their subordinate enterprises, and explores the establishment of a multi-level institutional system that is mutually adaptive to the enterprise management model, vertically and horizontally coordinated, and with clear hierarchies and responsibilities. The number of grassroots employee representative meetings grew from 585 at the beginning of 2022 to 1,289 in 2023.

Focusing on Exemplary Figures Recommendations

Political honors are inclined towards frontline workers, by which advanced model figures and outstanding representatives from grassroots industrial workers in various units and industries of the Group are widely selected and recommended. As of now, we have recommended 389 outstanding individuals as representatives to serve in the National, Provincial, Municipal and District People's Congresses, as well as the Chinese People's Political Consultative Conference (CPPCC), and 4 of whom have been elected as representatives to the 18th National Congress of the All-China Federation of Trade Unions.

Unblocking Feedback Channels

Combining with CRH's employee internal intelligent platform, we have developed and launched applications such as "Health Management", "Health Guide", and "Employee Service", completed the dual-channel and closed-loop management of the "Employee Voices" column, and collected and responded to employee demands through multi-platform digital services. Various business units have actively organized various "online + offline" efforts to solicit suggestions and proposals, providing employees' perspectives and grassroots solutions for enterprise operation and development.

More Robust Occupational Health Management

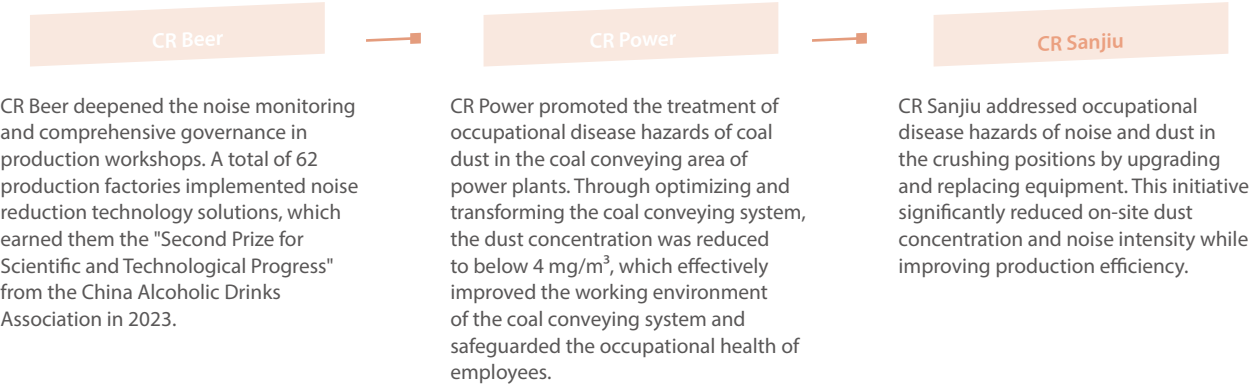
We are firmly implementing the legal regulations and work requirements in the field of occupational health, continuously strengthening the risk control of occupational health, continuing to create a healthy and uplifting cultural atmosphere, protecting the life and health safety of employees, and improving the effectiveness of corporate occupational health.

Focusing on Innovation in Occupational Health Management Measures

The Group has issued "The Occupational Health Management Guidelines of China Resources Group" and formulated the "The Occupational Health Inspection Points of China Resources Group". We implement graded and classified management and control measures for occupational health risks to continuously improve management effectiveness.

Deepening the Prevention and Control of Occupational Disease Hazards at the Source

We persist in taking effective measures including production processes optimization, equipment automation levels enhancement and comprehensive protective facilities to improve the work environment and conditions, addressing both the symptoms and root causes.



Actively Carrying Out Occupational Health Education and Promotion

We consistently promote shared occupational health, encouraging employees to participate widely in occupational disease prevention. Taking the opportunity of the Publicity Week for the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, we have conducted an extensive array of activities, including more than 5,000 thematic lectures, more than 3,000 publicity and consultation sessions, more than 5,000 warning education activities, distribution of approximately 110,000 publicity materials, production of nearly 1,000 publicity videos, 15,000 personnel mobilized for these efforts, and reaching an audience of over 400,000 individuals. As

a result, a robust atmosphere of concern for occupational health has been fostered among the general population.

CR Beer, CR Power, CR Gas, CR Pharma, CR Bldg Materials Tech, CR Micro and other units have collaborated with government health authorities, professional medical institutions and occupational health technical service organizations to conduct occupational health lectures and training, answering employees' questions on occupational disease prevention laws and regulations, the consequences of occupational diseases and labor protection.

Vigorously Promoting the Construction of "Healthy Enterprises" and the "Occupational Health Experts" Campaign

We have insisted on enhancing health self-management awareness within enterprises through special initiatives and atmosphere promotion. At present, 82 entities of the Group have been assessed as "Healthy Enterprises", and 215 employees have been recognized as "Occupational Health Experts".

CR Power's Hunan Company, CR Bldg Materials Tech's Quanzhou Company and six other grassroots enterprises were selected as excellent cases in the second batch of the National Health Commission's Healthy Enterprise Construction. CR Jiangzhong was selected as a typical case of the National Patriotic Health Campaign Committee's Healthy Enterprise Construction.

Carrying out All-People Involved Health Activities

The Group has promoted the use of the self-developed "Sports and Health" application, with 200,000 employees participating in the step-counting exercise. We have also continued to hold training and free clinics on disease prevention and self-rescue, such as infection prevention and control, family emergency response and cardiopulmonary resuscitation.

CR Beverage, CR Sanjiu, CR Double-Crane, CR Chem-Mat and other enterprises have organized employee health runs, badminton leagues and fun sports events. CR Gas, CR Longdation, CR Sanjiu, CR Jiangzhong and CR Enterprise have promoted workplace exercise activities. CR Vanguard, CR Land, and CR Bldg Materials Tech have set up employee health smart management cabins or health corners.

We actively integrate the concept of healthcare and the principle of prevention first into our practice, and continue to guide employees to be the primary responsible persons for their own health.



CR Capital organized cardiopulmonary resuscitation and AED use training for employees.



CR Beverage held a fun sports event for employees.

Commitment and Performance

Commitment Made in 2023



Steadily improved the quality of the tenure system and contractual management, built an up-and-down penetrating cadre and personnel system, revised and introduce management measures for CRH cadres, and improved cadre echelon construction, so as to effectively stimulate managers' vitality.

Commitment Performed in 2023



Performance evaluation and its rigid implementation for management members were strengthened. In 2023, CRH's reform of the three systems was rated as first-class by the SASAC of the State Council. The term-based and contractual management reform indicators ranked eighth among central state-owned enterprises. Aligning with new central policies and spirit, the "Management Measures for Promoting Up-and Down Penetrating Cadre and Personnel System of CRH" was issued, which fostered the penetration of the spirit of cadre mobility at all levels within the Group. Efforts were made to strengthen the construction of the cadre echelon team, including the introduction of the Chairman of CR Capital, the market-based public recruitment of the President of CR Bank and the General Manager of CR Trust, and the exchanges of 34 cadres under the Group's direct management within the Group. Adjustments or withdrawal were made for 10 cadres unsuitable for their current positions, optimizing the echelon structure.

We would strengthen grassroots trade unions and employee representative meetings, enhance our democratic management and collective consultation system, and promote the orderly implementation of employee representative meetings to ensure a positive workplace environment.

We have systematically promoted the construction of grassroots trade unions and employee representative meetings. In 2023, the number of trade unions increased by 28.8% to 1,532 trade unions with 353,000 members, covering almost all CRH's employees in Chinese Mainland. We advanced the deepening of democratic management in grassroots enterprises and completed the demonstration work of the employee representative meetings. The number of grassroots employee representative meetings increased from 585 at the beginning of 2022 to 1,289.

Supported the employment of college graduates, the disabled, migrant workers and other groups; carried out a variety of employee care activities and did practical things for employees.

In 2023, the Group signed contracts with 6,094 college graduates, with a steady increase in recruitment scale year by year. We continued to improve the channels for safeguarding migrant workers' rights against wage arrears, the supervision mechanisms for major wage arrears cases and emergency response mechanisms, effectively ensuring the payment of migrant workers' wages and maintaining the "zero wage arrears" bottom line. Various employee care themed activities, such as "'Xiaoyuanrun" and "Women Care Week" were carried out with a focus on key areas and special groups, remote areas, youth and female employees and frontline employees. The Group's Party Committee's care and greetings were brought to the grassroots frontline employees, which contributed to the practical actions for uniting employees.

We would further standardize the management of the division of labor within the leadership team, directing team resources and strengths towards technological innovation business, transformation business, incubation business, as well as some urgent, difficult and critical tasks. We would steadily carry out comprehensive assessments and evaluations of the leadership team and cadres, diagnose operational efficiency, and optimize the deployment of cadres.

We established and improved the report template for the division of responsibilities among leadership teams, 36 reviews and filings of leadership division reports for secondary units were completed, further improved leadership teams configuration of in strategic emerging industry enterprises such as power, gas, building materials and technology and pharmaceuticals to promote the allocation of leadership towards technology innovation business, transformation business, incubation business, as well as critical and challenging tasks.

Commitment Made in 2024

We will persist in and strengthen the education on the correct view of political performance, carry out in-depth and solid comprehensive evaluation of cadres, consolidate the effectiveness of the tenure system and contract-based management for management team members, increase efforts for the adjustment of cadres who are not suitable for their current positions, and promote the normalization of job rotation and up-and-down movement.

We will deepen the construction of trade unions and employee representative meetings by focusing on areas such as ideological guidance, training empowerment, and platform development to create strong trade union brands. We will also explore the establishment of a multi-level employee representative meetings system that is mutually adaptive to the enterprise management model and vertically coordinated, with clear hierarchies and respective responsibilities.

We will optimize the deployment of the Group's scientific and technological talent team, continuously gather and cultivate key talents, advance the pilot reform of national engineering master's and doctoral programs, ensure the recruiting, enterprise practice and joint training of engineering master's and doctoral students, and deepen school-enterprise cooperation. We will guide business units to establish and improve the training, utilization, evaluation, and incentive systems for skilled talents.

We will improve the income distribution mechanism, continue to strengthen the rigid assessment and implementation of the tenure system and contractual management, and increase the tilt towards scientific and technological talents and frontline employees.

1339
New patent applications

Customer Responsibility

— Innovation for a Better Life



52	Story III "Blue Flame Guardians" Guard All the Way
54	Concept and Vision
54	Results
55	Focusing on "People's Livelihood" and "the Pillars of a Great Power" to Provide the Public with High-Quality Products and Services
62	Creating a Higher Standard Quality Control System and Enhancing Core Competitiveness
65	Promoting Sustainable Consumption and Adhering to Sustainable Development
67	Protecting Consumer Rights and Interests and Building a Strong Consumer "Firewall"
70	Optimizing Top-Level Design and Continuously Improving Customer Satisfaction
73	Driven by Innovation, Leading New Development Momentum
75	Commitment and Performance

Story III

"Blue Flame Guardians" Guard All the Way



Zhong Yichao

Officer of the Main Island Operation Center of Xiamen China Resources Gas Co., Ltd.

Story III



In the office of the Pipe Network Operation Department of Xiamen CR Gas, Zhong Yichao, Officer of the Operation Center, is looking at a complicated map of the pipeline network and describes it in detail.

Since 2013, Xiamen CR Gas has proactively responded to the "Beautiful Xiamen" strategic plan of the Municipal Party Committee and Municipal Government, comprehensively launched the "Blue Flame Action" plan, and continued to promote the renovation of old cast iron pipes. Zhong Yichao, who was on the front line of the gas pipeline network renovation, walked through the streets and replaced pipes, witnessing with his own eyes the radical changes in Xiamen's gas pipeline network.

10 years, RMB430 million, and 320 kilometers, behind the constantly updated figures, Xiamen CR Gas has completed the comprehensive zeroing of gray cast iron pipelines in the city, and adopted intelligent monitoring methods to ensure the safe and stable operation of the pipeline network around the clock. The "Blue Flame Guardians" represented by Zhong Yichao not only protect the safety of thousands of families, but also bring the knowledge of gas safety into every citizen's home.

Overcoming Difficulties and Renewing Urban Gas Networks

The western part of Xiamen Island is the birthplace of the Xiamen Special Economic Zone. It is the first area in the city to use piped gas. At the same time, the old pipeline network is under the heaviest pressure to renovate.

In 2015, Zhong Yichao came to Xiamen CR Gas Western Pipeline to serve as officer. Facing the densely distributed old pipeline network in his jurisdiction, Zhong Yichao had a strong sense of urgency. After taking office, he immediately started to transform the old pipelines, the majority of which were cast iron pipes.

The gas pipeline renovation project was a systematic project related to people's livelihood. A renovation project must go through several stages such as project establishment, design, disclosure, construction, packing pressure, acceptance and handover, splicing, and operation management before it can be successfully completed.

To this end, Zhong Yichao has done a lot of coordination work on the basis of the renovation plan. On the one hand, he established a good communication channel with water supply, power supply, communications and other underground pipeline network of several neighboring units to ensure the safe operation of pipelines during the renovation. On the other hand, he went deep into the community and took the initiative to preach the necessity of gas renovation to the residents, to win the support and understanding of the neighboring residents for the renovation project.

The Mingyuan Building in Huli District was built in 1998, and its gas pipelines have been in operation for more than 20 years. In order to eliminate potential safety hazards in a timely manner, it was urgent to change the building's gas pipelines.

However, the renovation project means short-term inconvenience for residents due to digging. Construction operations such as and welding also affected surrounding residents.



To this end, Zhong Yichao and his colleagues took the initiative to communicate with the resident representatives of the building, answering questions on various issues during the gas renovation while patiently listening to the residents' renovation needs.

They spoke Hokkien and tasted Hokkien tea together. The residents' worries were reduced during the intimate conversation, and Zhong Yichao's renovation plan became more concrete and refined. Part of the road surface that originally needed to be broken was replaced with open pipe construction, which greatly reduced the impact on residents' lives. The entire renovation project was successfully completed with the cooperation of surrounding residents.

Technology Empowerment Protects Intrinsic Safety throughout the Process

Thinking back to fifteen years ago when he first joined CR Gas, Zhong Yichao's deepest impression is that he took a laser leak detector to walk on the street and inspect: 18 kilometers of high-pressure pipelines, inspection routes that had been explored for a long time, and a few key risk points.

Whether there are traces of gas leakage on the road surface or looking for unregistered third-party construction projects, it all comes down to the experience accumulated by grassroots inspectors.

Nowadays, the introduction of new technologies and new materials is continuously improving the intelligent level of CR Gas pipelines' full life cycle management:

In the project design, old cast iron pipes and steel pipes were replaced with PE plastic pipes that are more resistant to aging and corrosion, and the intrinsic safety of the pipe network facilities was improved.

During the construction of the project, the adoption of bluetooth welding machine made the temperature, time and pressure of the welding of the pipe nozzle more precisely controlled; the relevant data were recorded in the cloud to ensure that the weld quality was 100% qualified.

During daily maintenance, the IGIS Cloud Geographical Information System was connected with Beidou Surveying and Mapping Equipment to accurately draw a "nationwide map" of the

gas pipeline network; the EIS easy-operation inspection system can monitor the work of the inspection team and record the entire process of hidden danger investigation.

Xiamen CR Gas is actively connected with local municipal departments and used public video resources and AI recognition technology to conduct 24-hour dynamic monitoring of gas pipelines without blind spots. This nation's first urban gas pipeline safety monitoring platform provided immediate warnings for third-party construction, minimizing the risk of accidental damage to gas pipelines.

"We will also install a batch of pipeline network online monitoring equipment this year," Zhong Yichao said. "By burying this device underground, abnormal vibrations near the pipeline network can be captured, and once an excavator is working, the system will be alerted."

In the face of constantly upgrading technical means, Zhong Yichao, a front-line employee, admitted that he had a certain amount of learning pressure. But he also found that new technological means have reduced a lot of burdens on grassroots work, making work more scientific and efficient.

"I used to walk aimlessly, but now I know where the problems are and come up with a plan to solve them."

Working Together to Provide Services to Tens of Thousands of Households

According to Chang Jiao, Deputy General Manager of the Safety Management Department of CR Gas Headquarters, safety is the most basic and core part of gas services. Ensuring customer safety is not only a manifestation of corporate social responsibility, but also the cornerstone of corporate sustainability development.

In the past ten years or so, Xiamen CR Gas has regarded "strengthening service and ensuring safety" as the Company's development goal. It has continued to visit thousands of households, regularly helping customers repair equipment and answer questions. At the same time, it has also woven a tightly controlled gas safety net.

In order to prevent damage to the pipeline network caused by third-party construction, Zhong Yichao now participates in gas safety training for major construction units in Xiamen once or twice a year. From rail transit construction to the "two high" renovation of rainwater and sewage diversion, "gas staff" are actively preaching in popular areas of municipal construction.

During the renovation project of the old pipe network, Zhong Yichao and his colleagues went into residents' homes to explore the structure of the pipe network from the design stage. When he met some older residents, he even went to their homes and explained repeatedly until the blue flames popped and the gas network replacement was completed. After several interactions, many residents who originally opposed the renovation project also added him on WeChat and became friends.

"Compared with the past, everyone's safety awareness has improved now. Many residents take the initiative to send me messages on WeChat to inquire about gas safety precautions and provide some clues about gas risks." As he said this, this local Minnan man showed a shy smile on his tanned face.

"The trust and help from residents make me feel both gratified and responsible."



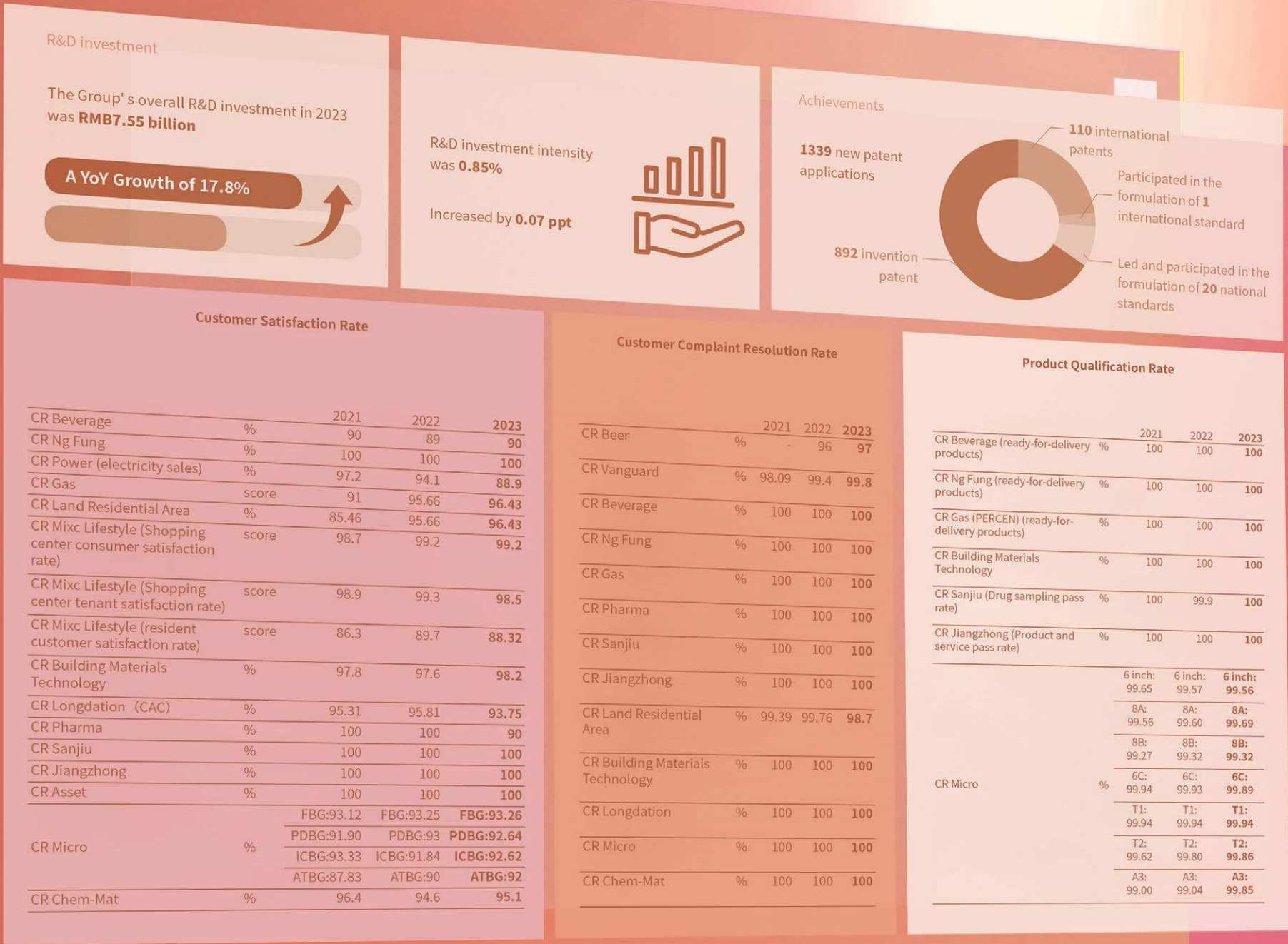
Concept and Vision

We take leading business progress and creating a better life as our corporate mission, and play a leading role in enhancing people's well-being and improving people's quality of life. We continue to strengthen the construction of the quality management system, optimize the product structure, and cultivate brand-name products. We insist on building a new service scene, providing quality services, and enhancing the service experience. We are committed to promoting scientific and technological innovations, and continuously improve the level of intelligent management to become a world-class enterprise that the public trusts and loves. Working on the people's livelihood and developing the pillar of a great power is the strategic base and resource allocation principle for us to strengthen, optimize and expand our state-owned capital and to build a world-class enterprise. Our goal is to protect and solve the difficulties and pain points in the people's livelihood, continuously satisfy the people's aspirations for a better life, serve the needs of the national strategies, and give full play to the value of CRH.

SDGs Responses



HKEX ESG indicators covered in this chapter: B6.2, B6.4, B6.5



Focusing on "People's Livelihood" and "the Pillars of a Great Power" to Provide the Public with High-Quality Products and Services

Most of CRH's business is in the field of people's livelihood. We give full play to this characteristic and advantage to make up for the government's lack of capacity and means in developing people's livelihood through market-oriented operations, and play a greater role in solving problems in employment, medical care, pension, housing, education and providing assistance to people in distress, so as to enable more consumers at different levels to perceive the high quality of the products and services provided by CRH, and to enhance the general public's sense of gain and satisfaction for common prosperity.

Giving Full Play to the Advantages of "People's Livelihood" and Improving the Accessibility of Products and Services

The Group has always regarded people's livelihood services and basic security as an important embodiment of the core functions of central enterprises, effectively utilized its own advantages, continued to improve accessibility, and helped solve the people's difficulties and pain points in the fields of housing, medical care, and elderly care. The Group also comprehensively guarantees the stable supply and safe operation of people's

livelihood, medical supplies and electricity and gas and other public services, and strives to provide better quality products and services, actively fulfilling the responsibilities of state-owned enterprises and state-owned enterprises of people's livelihood, achieving the organic unity of economic, political and social attributes, and better playing the strategic support role of state-owned enterprises.



CR Vanguard regards providing diversified consumption as the focus of stimulating consumption vitality, and deploys high-end boutique supermarkets, integrated businesses and community businesses. It continuously improves the of intelligence and convenience, creates effective demand through high-quality supply, and strives to transform the residents' "list of needs" into the "satisfaction list" of the convenient living circle

Ensuring Supply

Guaranteeing supply and stable prices of important livelihood commodities is closely related to people's lives and is also CRH's responsibility and mission. We do our best to ensure the supply of electricity and gas in the market regardless of cost or conditions; we give full play to the overall advantages of the comprehensive health sector, smooth channels for purchasing

medicines, diagnosis and treatment, and do our best to ensure market demand. We go all out to ensure the production and supply of medical supplies in various regions, making outstanding contributions to protecting people's safety and health and stabilizing economic and social development.

CR Power Ensures the Safety and Stability of Supply and Supply Chain

In 2023, in the face of multiple problems such as intensified fuel price fluctuations and prominent conflicts between power supply and demand across the country, CR Power resolutely shouldered the main responsibility of ensuring the supply of energy and power, taking multiple measures to ensure safe and reliable supply of fuel, fulfilling the important task of ensuring power supply, ensuring the safety and reliability of electricity for people's livelihood and safeguarding the bottom line of electricity for people's livelihood. Specific measures include:

- 1

Establish a special class for electric energy supply guarantee, and set up a working mechanism of "daily reporting, weekly tracking, monthly dispatch, and annual evaluation" to consolidate the organizational foundation for energy supply guarantee.
- 2

Five major coal procurement centers were established to plan coal procurement work in advance. In 2023, a total of 100.83 million tons of coal was purchased, a year-on-year increase of 7.1%. The year-end coal inventory increased by 6.0% year-on-year, indicating sufficient coal reserves.
- 3

Eight electric cycle special trains were opened from Chenzhou to Yuchong of Shaanxi Coal to enhance the efficiency of transportation cooperation, and the long-agreement coal delivery rate increased by 11%.
- 4

Expand the volume of imported coal procurement business. In 2023, 8.23 million tons of imported coal was purchased, a year-on-year increase of 5.1%. The procurement scope was expanded from Indonesia to Russia, Australia and other countries, providing reliable guarantee for the supply of coal for coastal and riverside power plants.



Faced with continuous high temperatures, South China Region of CR Power actively responded to the challenges brought by complex meteorological conditions and continuous long-term high-load operation of units, and coordinated safety inspections, emergency management, coal supply, heatstroke prevention and cooling, etc., as well as made every effort to ensure that power supply ran smoothly and orderly during peak summer season

CR Gas Has Full "Gas" Power to Ensure Winter Supply

In 2023, CR Gas has also been actively storing up its energy since the beginning of winter to ensure winter supply. In order to effectively ensure supply in winter, CR Gas actively communicated with resource parties and coordinated with upstream units, mainly the "three major oil companies", to strive for high-quality resources. At the same time, it also cooperated closely with the national pipeline network and other organizations to carry out gas storage leasing business, and cooperated to carry out gas storage leasing business for "summer injection and winter harvesting", so as to actively improve the peak level and emergency protection capacity in the 2023-2024 heating season, and to lay a solid foundation for the public in the winter in a stable manner during the heating season.



In December 2023, Zhengzhou CR Gas employees carried out winter supply equipment inspections at the gas gate station during a snowstorm.

CR Pharma Comm has Established and Improved Drug Reserve and Emergency Supply Mechanisms

CR Pharma Comm has established a complete drug reserve and emergency supply mechanism to ensure timely and accurate drug supply during major national events, public health events, disasters and daily drug needs.



In December 2023, snowfall warnings were issued frequently in many places in the north, and many CR Pharma Comm companies in the north activated the emergency plan for rain and snow. The Shijiazhuang warehouse transportation department of CR Hebei Pharmaceutical equipped vehicles with anti-skid chains and other tools, took anti-freezing measures for medicines, and monitored temperatures in real time, so as to ensure the temperature safety of cold chain medicines in transit for long-distance transportation needs

Strong Organizational Guarantee

Set up a leading group and a working group for the management of special medical materials reserve, and a working group and a special team for anti-pandemic and supply protection to fully implement the Group's work deployment of production, supply and medical care, to implement the emergency plan for pandemic prevention and control, and to safeguard the people's accessibility to medicines.

Timely Emergency Response

In the face of unforeseen circumstances such as public health emergencies or natural disasters, the Company quickly activated the emergency response mechanism, established an emergency command center, formulated an emergency supply plan, and maintained close communication with relevant government departments and institutions. It quickly mobilized resources from all parties to ensure the timely and safe supply of medicines.

Research and Judgment Guidance in Place

Through insights into disease epidemiological data, we can study market trends, interpret national policies, provide guidance and suggestions for anti-pandemic drug supply, and formulate detailed drug reserve plans.

Unified Supply Dispatching

The headquarters and regions worked together to find supply sources. The factories were stationed to lock supply, and establish long-term and stable cooperative relationships with drug manufacturers and suppliers to ensure that the supply chain of drugs was stable and reliable.

Efficient Warehouse Distribution and Supply

It had a complete warehousing, logistics and distribution system to ensure the supply of medicines at grassroots and remote areas, and to open up the "last kilometer" of serving people's health.

People's Livelihood

CR Land Launched "Warm Winter Campaign" in Various Places



Since the beginning of winter, CR Land's shopping centers, residential delivery projects and marketing sites have taken practical actions to commence a new chapter of "Warm Winter Campaign" for everyone. In response to this problem, the Shanghai MixC provided comfortable and cozy space and one-stop parent-child service for families with babies. It provided food, drink, entertainment and shopping for children, allowing everyone to go shopping and take care of their children. Warm stickers, warm shawls, ginger tea, moisturizing hand creams and other winter goodies appeared in the MixC in Shenyang, providing consumers with full warmth and care.

CR Land has also arranged warm winter services in various parts of the community, starting from home safety, park greenery and other details, so that everyone can experience winter warmth in all aspects. From the door handles of every unit in the community to the sports and recreational facilities in the community, special "velvet coats" were worn, so that everyone's fingers were no longer be cold when they touched them. In the face of snowy weather, in order to protect the safe travel of residents, the various departments fought in the "snow shoveling line" to clear snow in the park to ensure traffic safety. They also strengthened community security patrols, added security facilities for the safety around the clock, offered delivery pickup services and door-to-door repairs. In accordance with local customs, some projects in the Northeast have carried out "vegetable delivery" activities in winter to show love to the owners.



CR Land organized employees from all over the country to carry out the "Warm Winter Campaign"



CR Land actively provided property protection under ice and snowy weather

Exploring the Value of "the Pillars of a Great Power" and Playing the Role of a State-Owned Enterprise

In 2023, the Group increased its R&D investment and technology research efforts in biomedicine, microelectronics and other sectors, and strived to create a "cradle" for original technologies and become a "leader" of the modern industrial chain.

CRH's Healthcare Sector

Giving Full Play to Professional and Resource Advantages to Promote Health Accessibility

CRH's healthcare sector actively leveraged its professional and resource advantages, responded to the country's "Belt and Road" initiative and other initiatives, focused on rare disease research and development and health cost reduction, and built a modern pharmaceutical supply system. It helped more high-quality health products and services benefit more underdeveloped regions and countries.

Ensuring Medicine Supply

1

In response to the national centralized procurement policy and to help patients reduce their medical burden, CR Sanjiu's "Cefotaxime Sodium for Injection", CR Double-Crane's "Amlodipine Atorvastatin Calcium Tablets", "Metronidazole Sodium Chloride Injection" and "Enoxaparin Sodium Injection" were selected in the eighth batch of state-organized centralized procurement of drugs. The Group continuously strengthened the comprehensive logistics service level, improved the transportation management system, equipped transportation vehicles in compliance with GSP requirements, and promoted the integrated management of transportation and logistics, so as to ensure the stable supply of medicines in the market.

Fair and Reasonable Pricing

2

The Group strictly complied with the "Opinions on Promoting Drug Price Reform", "Opinions on Improving the Current Management of Drug Prices" and other laws and regulations. The Group also sets fair prices to reduce consumers' healthcare costs, and utilizes digital technology to monitor price fluctuations and makes every effort to ensure the supply and stable prices of our products in healthcare institutions, retail pharmacies and online e-commerce channels. The Group takes into account the economy and healthcare level of overseas markets to set prices flexibly and promote affordability of medicines.

Helping Patients around the World

3

Responding to the national "Going Global" strategy and the "Belt and Road" initiative, we actively focused on expansion opportunities in emerging markets/developing countries, leveraging our product strengths to serve customers and patients in more than 30 countries or regions, and endeavouring to make affordable health products available to consumers in developing countries.

- Shenzhen CR Jiuxin Pharmaceutical Co., Ltd., a subsidiary of CR Sanjiu, won the bid for the UNICEF drug bidding project and formally signed a long-term cooperation agreement to become a designated supplier of UNICEF. It will continue to provide UNICEF with injectable beta-lactam drugs for the treatment of children's diseases.
- The antimalarial drug dihydroartemisinin piperazine phosphate tablets 40mg/320mg from Beijing Huafang Ketai Pharmaceutical Co., Ltd., a wholly-owned subsidiary of Kunming Pharmaceutical Group (KPC) under CR Sanjiu, has passed the prequalification (PQ) of the World Health Organization (WHO). It was included in the scope of antimalarial drug procurement by international organizations and public institutions by WHO.

Expanding Therapeutic Areas

4

The Group increased support for research in emerging areas and research and development for prevention and treatment, conducted exploratory research using new methods and models, and broadened the scope of product development and production, with a view to bridging the health gap and providing more equitably accessible products and services to patients around the world.

- CR Boya-Bio's C1 esterase inhibitor received the first "Drug Clinical Trial Approval Notice" in China and conducted a clinical trial for the treatment of acute attacks of hereditary angioedema of the abdomen and/or face in adults and adolescents. The Phase I clinical trial has been launched.
- CR Boya-Bio's 10% intravenous human immunoglobulin project has completed

CRH's Technology and Emerging Industries Sector

CR Micro Accelerated the Planning of High-Growth Businesses and Sped Up the Research and Development of Key Technologies

Under the complete innovation management and R&D system, CR Micro has achieved many "domestic leading and internationally advanced" innovation results, thereby serving China's microelectronics industry.

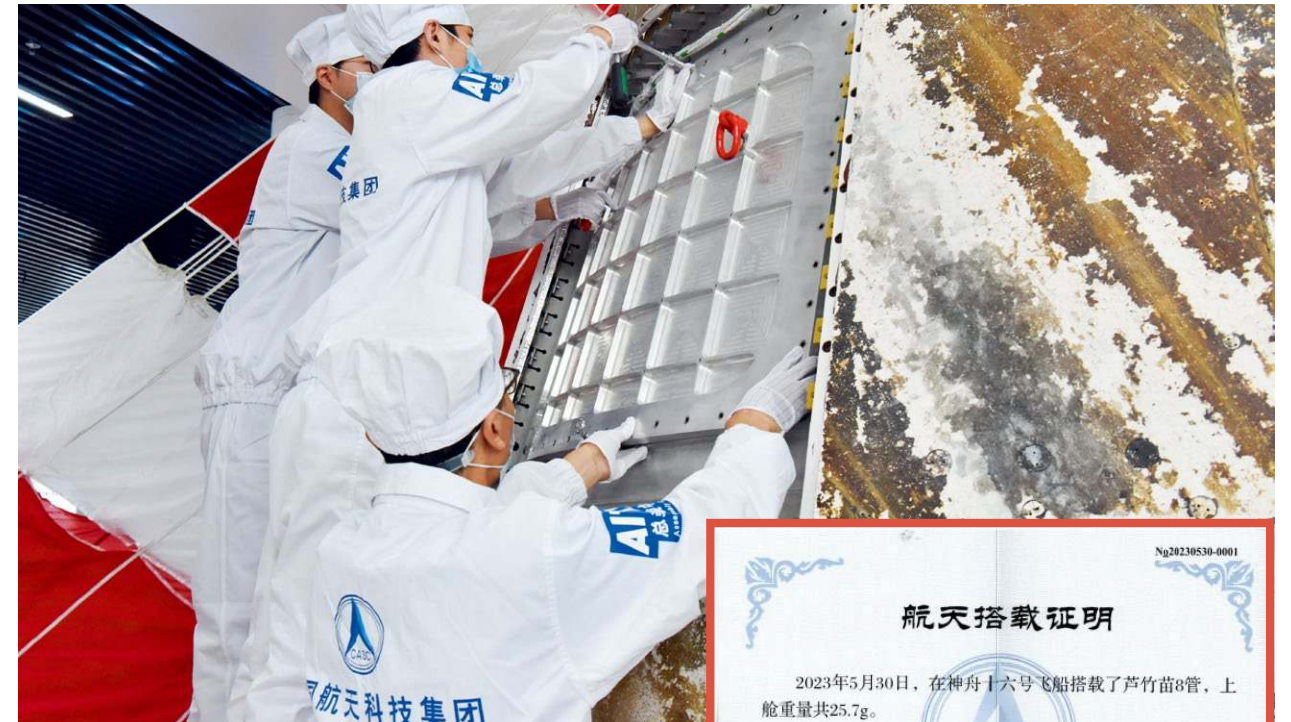
Power module is one of the key components of power converters and inverters. The industry is highly concentrated, has obvious head effects, and relies heavily on imports. In order to avoid the "bottleneck" problem and realize domestic substitution, CR Micro has carried out technical research on the structural design simulation, key materials and key packaging process of high-performance, high-integration and high-reliability power modules in the mode of independent research and development; it focused on IPM intelligent power modules, Copper Clip advanced process modules, third-generation semiconductor modules and other products;

it studied key packaging processes, carried out the design, trial production, testing and verification of industrial control-grade and automotive-grade power modules, and mastered the key packaging and testing technology of power modules and established industrial production capabilities. A total of 20 authorized patents have been obtained, filling the technical gap in the domestic high-end power module packaging field, achieving independent and controllable technology and reaching the international leading level.

CR Micro's integrated "high-performance low-temperature rise intelligent power module CS57XXXT" won the "China Chip" Outstanding Technology Innovation Product Award



In November 2023, CR Micro's "Advanced Power Module Packaging and Testing Key Technologies and Applications" was successfully selected into the list of major scientific and technological achievements of central state-owned enterprises.



The Group and the China Academy of Space Technology have jointly established Aerospace Shenzhou Biotechnology Group Co., Ltd. to specialize in the space biology industry. The Group hoped to expand scientific and technological innovation and industrial transformation with Aerospace Science and Technology Group by taking advantage of the strengths of both sides. On the one hand, it made use of China's space station, returnable satellites and other scarce resources to promote the development of CRH's science and technology and emerging industries, and on the other hand, it relied on CRH's rich industrial scenarios to realize the industrialization and application of aerospace technology. The picture showed that Aerospace Science and Technology Group and CR Jiangzhong have cooperated to send seeds of Chinese medicines into the space station through Shenzhou XII manned spacecraft to cultivate new varieties of innovative Chinese medicines with higher yields and better quality through space mutagenesis.

On 31 October 2023, the test tube seedlings of the preferred Arundo cultivated jointly by CR Cement and the Aerospace Shenzhou Bio-technology Group were successfully mutated in space and returned to the Earth aboard the Shenzhou XVI manned spacecraft after a five-month space trip, marking a new milestone in the research and development of both parties on the use of Arundo in space to save energy and reduce carbon emission.

CR Enterprise and the China Academy of Space Technology Jointly Create the World's Leading Space Biology Industry Platform

CR Enterprise and the China Academy of Space Technology (CAST) have joined forces to promote the development of CRH's science and technology and emerging industries by utilizing China's space station, returning satellites and other scarce resources on the one hand, and realizing the industrialized application of space technology by relying on CRH's rich industrial scenarios on the other hand, with the aim of building a world-leading space bio-industry platform to provide one-stop solutions for space bio-experiments for animals, plants and microorganisms of scientific research institutes, colleges and universities, and enterprises, including the operation and control of experimental processes, sample carrying, auxiliary experiments and industrial incubation.

On 3 May 2023, China Resources Research Institute of Science and Technology, Aerospace Shenzhou Biotechnology Group Co., Ltd. and the City University of Hong Kong signed a cooperation agreement to cooperate in the field of space science experiments, whereby China Resources Research Institute of Science and Technology and Aerospace Biotechnology will provide technical support for payload experiments, and will bring the scientific research projects of the City University of Hong Kong to the space station for testing.

Creating a Higher Standard Quality Control System and Enhancing Core Competitiveness

Establishing and Improving the "1+N" Quality Management Model at the Group Level

The Group actively created a quality management model that was compatible with diversified businesses - the "1+N" quality management model. "1" means that the group headquarters determine quality policies and goals, carry out quality risk classification and hierarchical management and control, implement national quality special deployments, establish quality management incentive mechanisms, implement quantitative indicator evaluations, and provide real-time images of the quality management status of enterprises at all levels to ensure that the group's quality management goals are achieved.

"N" refers to the second-level units applying advanced quality management methods such as total quality management, performance excellence, lean management, and Six Sigma management, carrying out mass quality activities such as rational suggestions, QC groups, and on-site management, establishing industry-leading, distinctive and effective quality management system, and implementing quality improvement and innovation to form the quality competitive advantage of CRH's products and services.

Business Units Continued to Improve the Construction of High-Standard Quality Management Systems

		Quality management policies and systems	Quality management performance
Consumer products	CR Beer	A quality and food safety management system with Snow Breweries’ characteristics (referred to as SnowMS-QFS system) has been established. Based on the 24 elements of the SnowMS-QFS system and combined with Snow Breweries’ quality management requirements, a unified system maturity evaluation model has been established. We strengthened the quality and food safety management system through audits, pre-trial assistance, supervision and certification audits.	In 2023, Snow Breweries relied on this system to pass a total of 95 international system certifications such as FSSC22000, ISO, and HACCP.
	CR Vanguard	Strictly abided by and implemented the "Regulations on Supervision and Management of Enterprises' Implementation of Subject Responsibility for Food Safety", "Regulations on Supervision and Management of Implementation of Subject Responsibility for Quality and Safety by Industrial Product Sales Units", "Key Points for Supervision and Inspection of Food Quality and Safety of China Resources Group" and "CR Vanguard Store Food Safety Audit Terms (2023 Edition)")" and other systems and work requirements, established and improved daily control, weekly inspection, and monthly dispatch work systems, and organized nearly 18,000 employees to sign the "Commitment Letter on Product Quality and Safety Management".	Five subsidiaries have passed national quality system certifications such as ISO9001, ISO22000, HACCP, etc.; they have obtained 33 government honors such as Food Safety Standardized Management Stores, Food Safety Demonstration Supermarkets, and Shenzhen Fangxin Meat and Vegetable Supermarkets.
	CR Beverage	Strictly implemented food safety management during the production process in strict accordance with ISO and FSSC22000 system standards, and adhered to the bottom line of food safety.	In 2023, one year after it was officially put into production, all factories passed ISO22000 or FSSC22000 system certification.
	CR Ng Fung	Hong Kong Ng Fung Sheung Shui Slaughterhouse ISO22000/ HACCP, Pre-products ISO22000, ISO9001/ISO22000/HACCP, ISO9001/ ISO22000/HACCP/GAP, China Quality Certification Center, Mainland Meat ISO22000/HACCP, Modern Agriculture ISO9001/GAP, Rice Market Business Center, Condiments ISO9001/ISO22000/HACCP/Green Food.	In 2023, 13 subsidiaries of CR Ng Fung passed a total of 31 international system certifications such as ISO22000, ISO9001, HACCP, GAP, and FSSC22000.

		Quality management policies and systems	Quality management performance
Integrated energy	CR Power	In purchasing decisions, we gave priority to suppliers with strong environmental protection and strong social responsibility, and required suppliers to sign the CR Power EHS Management Agreement to ensure the green development of the supply chain.	In 2023, the Company's suppliers had a 100% certification rate for supplier quality management system, environmental management system, and occupational health and safety management system.
	CR Gas	Strictly abided by relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Regulations on the Administration of Construction Project Environmental Protection, and the Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects, and formulated and continuously updated the Work Plan of CR Gas for Comprehensive Environmental Protection, Management Measures for Energy Conservation and Emission Reduction, and Management Standards for the Use of Water, Electricity and Oil; established and improved the environmental management system and actively promoted the ISO 14001 certification of the environmental management system.	100% of suppliers were certified for quality, environment and occupational health and safety management systems.
Urban Construction and operation	CR Land	Established a comprehensive quality management system, and formulated and issued hundreds of internal product quality management policies such as the " Regulations for CR Land Quality Management System Construction "; it has actively carried out ISO9001 quality system certification, and both the headquarters and all regions have fully completed the ISO9001 quality system certification, and reviewed according to annual declaration to ensure the validity and continuity of certification.	ISO9001 quality system certification coverage reached 100%.
	CR Building Materials Technology	In strict accordance with the "Product Quality Law of the People's Republic of China", the " Basic Building Materials Production Process Management Measures of CR Building Materials Technology Holdings Co., Ltd." and "Grinding Aid (Combustion) Agent Management Specifications of CR Building Materials Technology Holdings Co., Ltd." were formulated, covering raw materials, coal, raw materials and clinker and other quality standards; independently developed intelligent quality management system.	As of the end of 2023, all affiliated cement production bases have passed ISO 9001:2015 quality management system certification.
Healthcare	CR Pharma	Adhered to the Drug Administration Law, Good Manufacturing Practice for Drugs (2010 Revision), Good Supply Practice of Pharmaceutical Products and other laws and regulations, established a quality management system in line with national standards, formulated Work Manual for Quality Due Diligence Standards of Biological Products Enterprises (Trial, Work Manual for Quality Audit Standards of Blood Product Manufacturers and Work Manual for Quality Management Standards of Drug Research and Development, etc., and strengthened product quality control and quality training and guidance to suppliers, so that it can achieve a quality management that covers the whole life-cycle of raw material acquisition, product research and development, registration, testing and production, etc.	Obtained 132 product quality standard system (such as HACCP, ISO 9001, ISO 10002) certifications.
	CR Pharma Comm	The EHS management system has been comprehensively revised, and a total of 39 systems have been formulated and revised, covering EHS management system construction, management organization structure, safety training and education, safety risk hierarchical management and control, hidden danger investigation and management, emergency management, accident management, assessment methods and responsibilities Investigate etc.	As of the end of 2023, a total of 37 companies have passed occupational health and safety system certification (ISO 45001).
	CR Sanjiu	Formulate the "CR Sanjiu Implementation Plan for Continuously Improving the Special Work of Entrusted Production Quality Management", further improved the quality management system and the entrusted production quality system, and promoted the construction of quality management system (QMS) and laboratory information management system (LIMS) projects.	In 2023, a total of 31 quality-related standard system certifications have been passed, including 2 international certifications, 9 domestic certifications, and 20 other certifications; a total of 9 manufacturing enterprise testing centers/laboratories have passed the China National Accreditation Service for Conformity Assessment (CNAS) certification; The pass rate of drug sampling inspection was 100%; it won 17 quality management awards throughout the year.

		Quality management policies and systems	Quality management performance
	CR Double-Crane	Systems such as the "Quality Risk Management Guidelines", "Product Sampling Inspection and Information Transmission Management Guidelines", "Quality Emergency Contingency Plan", "Drug Recall Management Guidelines" and "Quality Improvement and Enhancement Management Guidelines" have been established.	Mainly based on multiple guide technologies such as GMP/ISO9001/FDA/ICH Q10. Integrating the current pharmaceutical regulations and industry guidelines of China, the EU, and the United States for quality system management requirements, it achieved multiple GMP compliance and formed a high-standard, systematic, a standardized quality management system with Double-Crane characteristics.
	CR Jiangzhong	The company integrated the quality management system into the entire process of product manufacturing and service, implemented a production management model that combined "Good Manufacturing Practice for Drugs(GMP)" management and "five systems" management, and adhered to the principle of "determining production based on sales and maintaining dynamic balance". The company strictly controlled quality and optimized inventory, and firmly established the concept of sustainable development that put product quality first, technological innovation second, and green environmental protection as a foundation.	The company has successively passed "Quality Management System - Requirements" (ISO9001), "Environmental Management System - Standards and Usage Guidelines" (GBT24001), "Occupational Health and Safety Management System - Requirements and Usage" (GBT45001), "Energy Management System - Requirements" (GB/ T23331) and "Food Safety Management System Requirements" (ISO22000) and other system certification certificates.
	CR Healthcare	Released the "Quality and Safety Management System Construction System of China Resources Health Group Co., Ltd.," "Management Measures for Quality and Safety Supervision and Inspection of China Resources Medical Holdings Company Limited ", " Management Measures for Quality and Safety Monitoring of China Resources Medical Holdings Company Limited " and " Implementation Rules for Annual Assessment of Quality and Safety Management of China Resources Medical Holdings Company Limited " "Implementation Rules" and "China Resources Healthcare Holdings Co., Ltd. Quality and Safety Incident Management Implementation Rules" and other management regulations.	A group hospital quality and safety management model has been formed based on management mechanisms such as organization, system, responsibility, education and training, risk control, monitoring, supervision, culture and assessment and evaluation. In the past five years, CR Health member hospitals have won more than 150 national quality improvement awards.
Technology and emerging sectors	CR Micro	Incorporated information security, environmental health and safety, energy, environmental substances and other factors into the scope of quality management, and established a quality management system in accordance with ISO9001, IATF16949 and QC080000 standards. At the same time, the company fully paid attention to and implemented the RoHS Directive, REACH regulations and other laws, regulations, standards and customer needs related to environmental substances, and built a complete environmental substance management system in the entire process of product production such as procurement, manufacturing and warehousing.	In 2023, it continued to promote integrated quality management and vehicle regulation quality management upgrades, and the Quality Management Department has promoted a total of 8 integrated quality management projects.
	CR Chem-Mat	Established and improved the quality management system, compiled a quality management manual, and established a quality improvement team; compiled product monitoring and measurement control procedures and product withdrawal control procedures, monitored and measured product characteristics, and identified and controlled substandard and potentially unsafe products. Controlled and standardized product quality management; used ISO 9001 system elements as the main line to organize and divide quality and safety responsibilities to ensure full coverage of system elements; entrusted a third-party authoritative monitoring agency to conduct annual monitoring every year to confirm that products comply with Chinese national standards and the US FDA Standard requirements.	"In 2023, the company passed the ISO9001 supervision audit of SGS's polyester segment business. The composite material product certification was recognized by UKAS and met the basic conditions for export to Europe."

Promoting Sustainable Consumption and Adhering to Sustainable Development

CR Beer

The company advocated responsible drinking and cooperated with the China Alcoholic Drinks Association for nine consecutive years. As a member of the China Alcoholic Drinks Association and Social Responsibility Promotion Working Committee (China SAO), the company regularly organizes activities such as the "National Responsible Drinking Awareness Week" every year to educate the entire industry and promote the concept of "drink in moderation and live happily" throughout the society.

In 2023, the company attended the "National Responsible Drinking Awareness Week" press conference organized by China SAO, as well as the 2023 "National Responsible Drinking Awareness Week" launching ceremony and the 2023 China Alcoholic Drinks Industry ESG Forum.

As a member of the China Alcoholic Drinks Association, the company actively fulfilled its social responsibilities, promoted the sustainable and healthy development of China alcoholic drinks industry, and took the lead in advocating responsible drinking. The outer packaging of all alcoholic beverage products of the Group has labels related to responsible drinking.

In addition, the company jointly advocated responsible drinking with the strategic cooperation brand "Heineken®" beer. The brand invested approximately 10% of its media expenses every year on the promotion of responsible drinking.



CR Beer regularly organizes the "National Responsible Drinking Awareness Week" event every year

CR Vanguard

The company kept up with the trend of green consumption and continued to increase the supply of green products. Olé Shenzhen Low Carbon Experimental Store selected products that have obtained carbon footprint certification, as well as products that have obtained domestic and foreign organic certification, sustainable certification, and are degradable, replaceable, recyclable, etc., to provide healthy and sustainable

shopping choices for consumers seeking green and low-carbon alternatives; jointly with the China Franchise Council and UNICEF, the company have launched child-friendly shelves in 51 stores across the country, focusing on children's dietary and growth needs, helping children and parents directly obtain more natural, balanced, and appropriate amounts of food.



On 17 July 2023, Olé Boutique Supermarket held a launch event for its own brand of sustainable seafood products, launching 14 new products from Olé's own brand series, combining major marine issues with daily consumption scenarios, and creating "Sustainable Blue" zones in its stores nationwide in collaboration with the One Planet Foundation and its green partners to encourage consumers to choose environmentally friendly products and to start a natural and healthy sustainable lifestyle.

CR Land

The Company actively explored green leasing models, continuously promoted informationization and intelligence in management work. With the help of intelligent energy consumption systems such as the BIM intelligent operation management system and intelligent lighting system, the company systematically analyzed tenants' energy consumption and provided optimization suggestions, and carried out energy-saving awareness training to reduce energy consumption at the source; at the same time, CR Land actively promoted the embodiment of sustainability clauses in lease contracts and encouraged tenants to sign environmental commitments. In 2023, CR Mixc Lifestyle issued 17 sustainability initiatives to its tenants, and reached a consensus with more than 20,000 shopping center partners on green space, energy saving and low carbon, and sustainable operation. At the same time, 93 of its shopping malls collaborated to successfully hold the first "Sustainable Living Week". With the participation and support of various cooperative brands, the concept of sustainability was conveyed to consumers and the public.

CR Chem-Mat

The company actively promoted the practice of green packaging, strengthened the research of PET bottle-to-bottle recycling technology, developed the application technology of regenerated PET chips in beverage packaging, recycled waste materials, effectively reduced carbon emission in the process of product production, and realized the sustainable development. In March 2023, the Zhuhai company designed and built the new material distribution project. The finished products of PET were put into the tanker from the silo through the way of self-gravitation and then shipped out directly after precise weighing and net weight by the weighbridge, eliminating the need for ton bag packaging and storage, outbound packaging and other links, reducing the use of packaging, lowering the cost of product packaging, storage and transfer costs, improving the efficiency of packing, and reducing the use of PP bags by 237.824 tons annually.

Protecting Consumer Rights and Interests and Building a Strong Consumer "Firewall"

The Group attached great importance to the reasonable needs of customers, minimized communication and consumption costs for customers within its capabilities, strictly implemented the consumer privacy protection system, and built a "firewall" for consumer rights and interests.

False or Misleading Publicity is Strictly Prohibited

CR Beverage

The company attached great importance to responsible marketing, continued to improve and strengthen the responsible marketing system, ensured the reasonable compliance of marketing methods and content, ensured that product sales and marketing promotions were highly consistent with product quality and image, and avoided any exaggeration or overblown promotional practices. The company implemented strict standards for product labels to ensure that label information was authentic, accurate, easy to understand and identify, strictly followed relevant laws and regulations, resolutely put an end to false information and promotional content that may mislead consumers, and effectively protect consumers rights and interests.

CR Pharma

The company strictly abided by laws and regulations such as the Advertising Law, the Drug Administration Law, and the Provisions for Drug Insert Sheets and Labels. The compliance department carried out annual marketing antitrust compliance special projects, pharmaceutical marketing anti-corruption policy interpretation and research, and system inspections in the marketing field. Advertising and promotional materials were all subject to a pre-approval system, and compliance management of advertising, promotional slogans, marketing documents and other content were carried out, and the management of various forms and tools of publicity such as store posters, POP posters, LED screens, and WeChat official accounts were strengthened. It implemented the latest, accurate, objective and not misleading or false promotional requirements, and regularly conducted responsible promotion training for all employees.

The company also promoted its affiliated companies to formulate relevant systems such as the "Provisions for Drug Insert Sheets and Labels", strengthened the review of drug packaging labels, clearly identified possible adverse reactions that may occur when a small number of patients used drugs, and standardized product packaging design, advertising procedures, trademark application and use.



Actively Handling Consumer Complaints



Fair Transactions

CR Gas

The company formulated and disclosed detailed tariff standards, and promptly disclosed gas charging standards and other information to the public through various channels such as official accounts, business halls, government service networks, etc. It provided clear and detailed bills and invoices to each user, clarifying the name, amount and calculation method of each fee to facilitate users to check consumption records. In the face of price adjustments, it consciously accepted the supervision of regulatory authorities, the public and the media to ensure that fees were charged in accordance with the law and were open and transparent, creating a transparent and secure environment for consumers.

CR Insurance Brokers

The company attaches great importance to the protection of consumer rights and interests, and effectively protected the suitability, right to know and right of independent choice of insurance consumers. First, it evaluated the risks and professional complexity of insurance products and services and implemented hierarchical dynamic management to improve insurance consumers risk preference, risk perception and risk tolerance assessment system; the second was to establish and improve policyholders' risk tolerance assessment and sales management rules for universal Internet insurance products, classify customers, grade insurance products, and provide risk warnings to customers. At the same time, due to the high risk of investment-linked products, the company did not sell such insurance products.

Customer Information Protection

CR Land

The company attached great importance to the full life cycle protection of customer information, strictly implemented internal policies such as the "Confidentiality Regulations" in the "CR Land Employee Handbook", strengthened information security management through dedicated personnel, and enhanced employees' confidentiality requirements and awareness. In 2023, the company had no complaints arising from violations of consumer data and privacy protection regulations (including complaints from third parties or regulatory agencies).

CR Pharma

The company strictly abided by the Consumer Rights Protection Law, respected customers' privacy rights, implemented a confidentiality system, ensured that customer files, complaints, information and other sensitive information were kept strictly confidential, and continued to improve the information security system to prevent data leakage. Dong-E-E-Jiao has passed ISO 27001 management system and industrialization integration management system certification to comprehensively ensure the security and stability of enterprise and customer information.

CR Land's Efficient Handling of Complaints was Recognized by Owners

Complaint Content: The owners of CR Land's Guangzhou Park Shangcheng project reported cracking problems on the walls

Investigation process: The company's maintenance personnel responded quickly, determined the time for on-site inspection with the owner within 30 minutes, and arrived at the site as scheduled for detailed inspection. It was found that the connection between the different materials of the wall structural column and the aerated block brick wall was cracked. Regarding the crack situation, the company communicated with the owner to explain the type of crack, and inspected the walls of other rooms in the owner's home. After fully communicating with the owner and reaching an agreement on the maintenance plan, the maintenance personnel informed the construction process, possible impacts and protective measures in detail.

Handling Process: Maintenance workers removed the base layer of the cracked wall and used the mesh plastering process to repair it. During this period, pictures of the maintenance progress were sent to the owner in real time, and they were clearly informed that they needed to wait for 1-2 days for it to dry. After 3-4 days, the maintenance personnel sanded and painted the entire wall to effectively avoid the color difference between the old and new. After the project was completed, the maintenance engineer strictly inspected it to ensure that the wall surface was restored to its original appearance. At the same time, he arranged cleaning and restoration of the site, took photos and videos to show the restoration results to the owner, and made an appointment for the owner to come to the site for acceptance.

In the end, the owner expressed satisfaction with the repair results and highly recognized the efficient, professional and responsible service attitude of the CR Land team, and the complaint was successfully resolved.

Optimizing Top-Level Design and Continuously Improving Customer Satisfaction

In 2023, China Resources Group continued to improve its customer relationship management system, optimize customer satisfaction survey methods, enhance data analysis capabilities, conduct closed-loop management of customer relationships, and effectively improve customer satisfaction.

Product Knowledge Popularization and Customer Training

CR Power

The company provided customers with education and training activities such as "Green Electricity Transaction Introduction and Case Sharing" and "Low and Zero Carbon Road of Enterprises" to enhance customer stickiness and enrich customer experience. At the same time, in order to maintain the company's market-oriented relationship with electricity users, improve customer service quality, and achieve long-term friendly cooperation with high-quality users, the company organized its subordinate units to jointly hold 5 marketing planning series activities "Progress with Green Electricity, Gratitude for Companion" in 2023 from June to November. The event fully investigated the cooperation needs of users, and designed green power plant visits, corporate culture publicity, special training on electricity spot and green low-carbon trading, user exchanges and Q&A, user satisfaction surveys, etc., and selected more than 200 high-quality power user enterprise representatives to attend the event respectively. The company visited 5 projects of Henan New Energy Company, Shanxi New Energy Company, Guangxi Company, Sunan Company, and Northeast New Energy Company, which were highly praised by the customers and maintained and strengthened customer relationships.



CR Power's "Progress with Green Electricity, Gratitude for Companion" Series of Activities - Datong Station

CR Bank

The company implemented financial education work in strict accordance with the relevant requirements of the "Management Measures for Financial Knowledge Publicity and Education of Zhuhai China Resources Bank", coordinated education activities, and promoted the normalization, centralization and long-term effectiveness of financial education. Through original insurance cases, risk reminders, consumer protection mini-classes, short videos, consumer protection games, consumer protection knowledge tests, prize-winning Q&A, etc., we continued to popularize eight basic rights and interests among financial consumers, remind potential risks and enhance risk prevention capabilities and basic financial literacy. In 2023, the bank carried out a total of about 1,080 online and offline promotional activities, held more than 80 internal consumer protection training, distributed about 110,000 promotional materials, and reached a total of about 360,000 people, comprehensively improving financial consumer risks prevention ability and financial literacy. The popularization of financial knowledge has obvious effects.

Proactive After-Sales Service System

CR Land

The company attached great importance to after-sales service, maintained a high-sticky user relationship with owners, frequently organized owners to carry out community activities, focused on planning themed activities for the elderly and teenagers, and used the concept of sustainable development to upgrade and activate the public spaces that have been delivered to the community. The company also built an age-friendly and child-friendly community, invited owners to participate in community governance, created a better lifestyle for owners, and truly achieved all-round service improvement from after-sales service to community co-construction, co-governance and sharing. The company followed institutional documents such as the "Management Specification of CR Land for Handling Complaints from Residential Customers" and "Guidelines of CR Mixc Lifestyle for Handling Complaints from Residential Customers" to set up special compensation authorization and compensation processes for customer losses that may be caused by product or service quality. It aimed to respond to customer demands quickly, fairly and efficiently, compensated customers for losses promptly and fairly, and reduced potential operational risks.

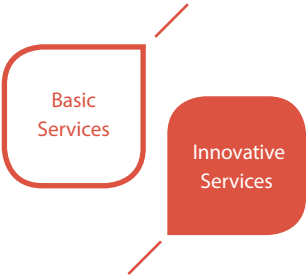


Customer Satisfaction

CR Land

The company focused on the entire customer journey, built all-round service touchpoints, conducted service supervision from multiple perspectives, promoted timely service improvement, and continuously improved customer satisfaction.

- Covering the entire life cycle from customer visit to stay, the company has improved the residential service system and created more than 100 service items, involving 35 graded and tiered services; the company has also conducted online surveys on service touchpoints to promote timely service improvement and correction.



- The "Runbilin" community operation brand was released; 12 IPs were launched; 159 communities were established; 284 activities were held, striving to improve the owners' better life experience.

In 2023, CR Land's residential customer satisfaction rate was 87.76%, with a customer loyalty score of 74. The satisfaction level of newly delivered projects has increased for three consecutive years.



Overall delivery activity of Runfu Project in West China Region

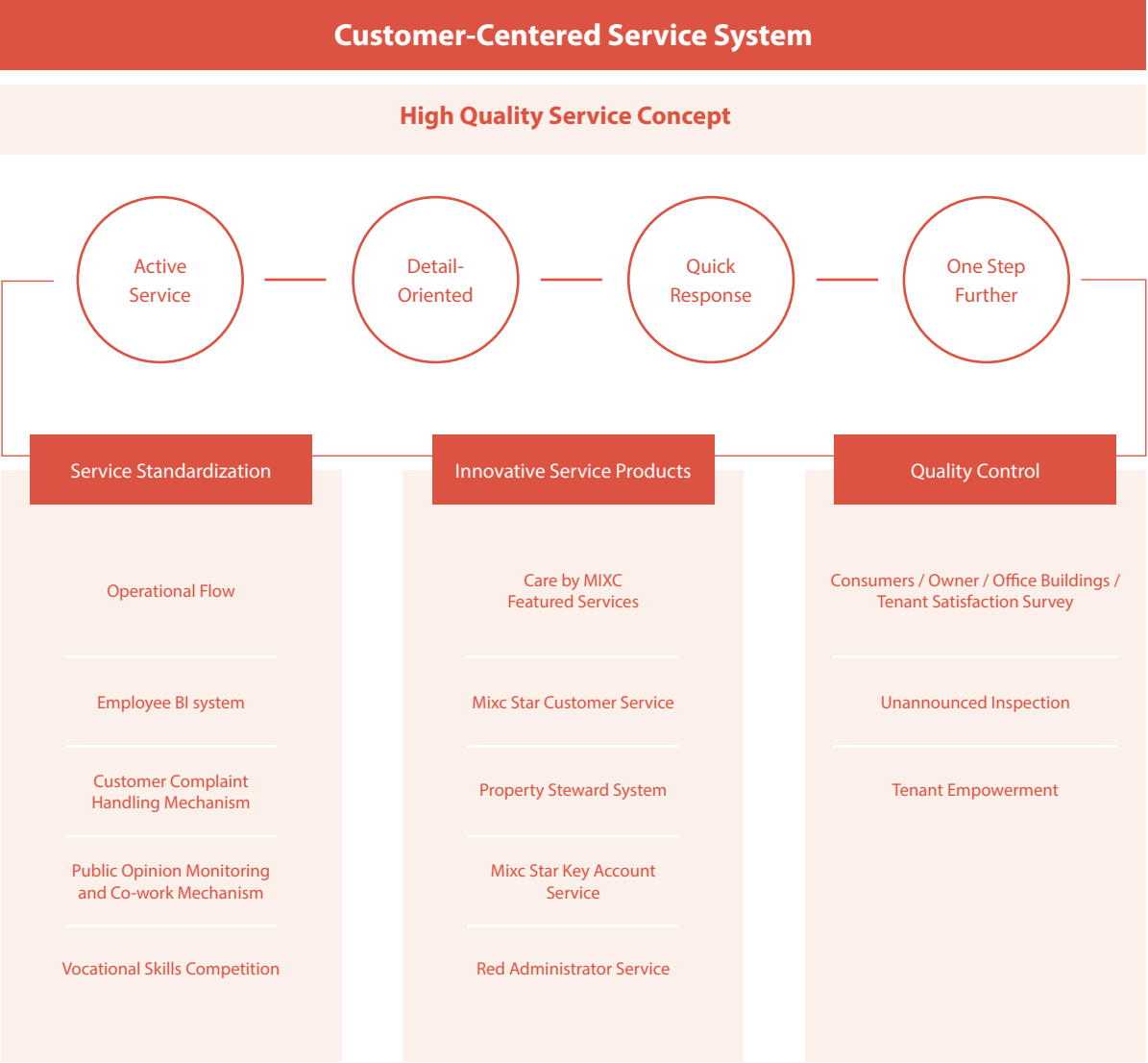
CR Mixc Lifestyle

With the customer service tenet of "Customer-Perceived Warm Service", the company has constantly improved the customer-centered service system by optimizing the service process, enhancing the service regulations and strengthening the standards of service procedures.

The commercial sector has formed a diversified service system including high-end member services, featured customer group service and basic customer services. In 2023, the company launched incentive measures for customer service in shopping malls to encourage employees to continue to improve their services. The company refined the construction requirements for shopping mall facilities and service quality standards, and formed the "Standard Operating Procedure for Customer-facing

Service" covering 10 types of businesses to effectively improve the service standards and operating procedures of the store staff in the shopping mall.

The property segment strengthened its administrator-centered service system, formulated an SOP manual for residential post that issued service standards and evaluation rules to further optimize process management of the customer service. In 2023, the company introduced the "Pleasant Neighbors" community value system to enhance customer interaction, and created community cultural activities such as "Dream builder", "Mixc spring warmth" and "Quality renewal & good neighborliness" to make the company even more closely connected with customers.



CR Mixc Lifestyle's "Customer-Centered Service System"

Driven by Innovation, Leading New Development Momentum

Innovation Systems and Measures

The Group further strengthened the Group's Science and Technology Innovation Committee, investing RMB 7.5 billion in R&D throughout the year, a year-on-year increase of 15.6%. 43 high-level scientific and technological talents of various types were introduced; 3 new leading scientific and technological talents were added; 1,339 new patent applications were filed; the first seven science education bases of the Group were officially launched. We continued to improve the medium- and long-term incentive mechanism for scientific and technological talents, and to promote the implementation of equity incentives, employee stock ownership, and separate total wages for scientific and technological innovation. The Group completed a number of projects in original technology curatorship, and set up R&D institutions such as the Joint Laboratory of Intelligent Sensors. The second phase of the "1025" key research tasks undertaken by CRH is progressing as scheduled.

The Group has formulated and implemented a total of 1 first-tier system, 5 second-tier systems, and 5 third-tier systems, and the "1+X" system has basically taken shape. The "Innovation

Consortium Management Working Rules" have been newly formulated to standardize and guide a series of issues such as how to form and operate an innovation consortium, how to establish and implement research and development projects, how to distribute and share profits, etc. It also guided business units to increase the collaboration of internal and external resources, accelerated the transformation of scientific and technological achievements and sped up the in-depth integration of industry, academia, and research. The company was the first state-owned enterprise to issue the CRH's Science and Technology Innovation Error Tolerance and Error Correction Implementation Measures (Trial)", which specified 12 circumstances for tolerance and exemption of faults in innovation in terms of innovation decision-making, project establishment, scientific research cooperation, use of funds, and introduction of talents from the four levels of the inherent attributes of scientific and technological innovation, changes in the objective environment, inadvertent errors and other objective circumstances.



In August 2023, the Group successfully held the second Congress of the Association for Science and Technology. Chairman Wang Xiangming attended the meeting and delivered an important speech. General Manager Wang Cuijun presided over the meeting and invited the Deputy Party Secretary of the China Association for Science and Technology, full-time Vice Chairman, Shu Wei (the Secretary of the Secretariat), Chairman of Guangdong Association for Science and Technology, Chen Yong (academician of the Chinese Academy of Engineering) and other leading experts. The meeting reviewed and approved the newly revised the Articles of Association of Science and Technology of the Group, elected the new members of the Association for Science and Technology, as well as the Chairman, Vice-Chairman and Secretary-General of the Association for Science and Technology, clarified the key tasks of the Association for Science and Technology in the next stage, put forward the Association for Science and Technology's "155" work system for the first time, strengthened the Association for Science and Technology's role as a bridge between the Party committee and scientific and technological workers, and effectively enhanced the influence of CRH in the system of state-owned enterprises with state-owned capitals.



➤ In 2023, CR Healthcare had 419 clinical applications of new technologies, and its Fukuang General Hospital, Tiemei General Hospital and Beijing Jiangong Hospital have successively entered the era of minimally invasive robot-assisted surgery. Among them, Jiangong Hospital has completed 500 cases of robotic surgery. CRH Wuhan Iron and Steel General Hospital relied on remote ultrasound robots and used 5G network transmission technology to complete ultrasound examinations "without leaving home". At the same time, CR Healthcare has launched a smart patient service cloud platform to provide integrated "Internet + medical" smart hospital services to patients before, during and after diagnosis, improving the medical experience. Six of its hospitals have obtained Internet hospital licenses.

Accelerating the Transformation of Scientific and Technological Achievements

The Group has achieved a number of major achievements and technological breakthroughs in the fields of integrated circuits, biomedicine, and digital technology. CR Micro's "highly reliable acoustic devices and MEMS microphones for intelligent connected vehicles" has been successfully approved as one of the 22 state-owned enterprises of the Ministry of Industry and Information Technology and the State-owned Assets Supervision and Administration Commission to demonstrate the application of "one-stop" technology for key products. 7 technologies and products were recommended to enter the "Recommended Catalog of Scientific and Technological Innovation Achievements of State-Owned Enterprises (2023 Edition)". In 2023, the Group's overall technology revenue was approximately RMB31.17 billion (new product sales revenue of RMB30.51 billion, technology contracts of RMB610 million, and government financial funds of RMB50 million), driving the Group's overall revenue to grow continuously and achieve significant results.

Both "Quality" and "Quantity" of Scientific Research Platforms Have Been Improved

The Group has added 6 new scientific research platforms at provincial and ministerial level and above, bringing the total number to 92. The Group added 1 new "specialized and innovative" small giant enterprise of the Ministry of Industry and Information Technology (DIS Microelectronics), and a world-class "specialized and innovative" demonstration enterprise established by the SASAC (Dongying Tiandong Pharmaceutical). The number of various scientific research platforms has further increased. The Group has added 12 new national-level projects or topics, a year-on-year increase of 50%; 16 new provincial and ministerial-level projects, a year-on-year increase of 30%; and 2 new postdoctoral science fund-funded projects; since the "14th Five-Year Plan", a total of 647 key science and technology projects have been implemented, including 31 national-level projects and 82 provincial and ministerial-level projects.

Commitment and Performance

Commitment Made in 2023



We would significantly increase investment in R&D, increase innovation around our main responsibility and main business, accelerate the introduction and use of technological talents, increase R&D incentives and tolerance for errors, accelerate the construction of R&D platforms, cooperate closely in exchanges, catalyze the formation, transformation and utilization of R&D achievements, and improve the technological management system.

Commitment Performed in 2023



In 2023, the Group's overall R&D investment was RMB7.55 billion, a year-on-year increase of 17.8%; the R&D investment intensity was 0.85%, an increase of 0.07 ppt. In terms of specific directions, strategic emerging industries such as microelectronics, new energy, new materials, big health, and digital technology were key areas of scientific and technological innovation. In 2023, key industrial enterprises invested a total of RMB5.69 billion in R&D, accounting for 75.8%. The average R&D investment intensity was 2.78%.

We would fully utilize our advantage in the development of digital economy, and promote organizational change through digital intelligence technology to meet the requirements of the development of platform economy. We would make full use of the characteristics of the platform economy and strengthen research and exploration to create new business models, reduce system costs, break through organizational barriers, acquire new energy for development, and push our scale strength to a new level.

The Group's digital transformation advanced in depth. It promoted the digital transformation and upgrading of financial management, effectively improved the Group's capital management and control capabilities, and was rated excellent in the mid-term acceptance of the SASAC's treasury system construction. The results of "Smart CRH" were showing. CR Pharma used AI algorithms to promote a significant reduction in the research and development hours of a single project. CR Land strengthened its omni-channel online operation reform. CR Pharma-Comm supported integrated regional logistics management. CR Bank's full-stack Xinchuang Cloud was successfully put into production.

We would continue to build full-cycle relationship with customers and enhance customer service experience to improve customer satisfaction.

Several business units have explored how to improve customer satisfaction. CR Land focused on the entire customer journey, built all-round service touchpoints, conducted service supervision from multiple perspectives, promoted timely service improvement, and continuously improved customer satisfaction.

We would further study risks and challenges, calmly cope with difficulties and pressures, strive to seize development opportunities, and resolutely carry out our responsibilities as a central state-owned enterprise in stabilizing the market, ensuring the supply of energy and helping enterprises alleviate their difficulties.

We have successfully completed tasks such as ensuring energy supply, ensuring people's livelihood, expanding employment, earthquake relief, and supporting major national events, fully demonstrating CRH's responsibility.

Commitment Made in 2024

We will optimize the scientific and technological innovation management system, strive to build an effectiveness-oriented scientific and technological innovation work system, and improve the output and transformation efficiency of scientific and technological innovation results. We will promote the research and development progress of key projects. The specific responsible units must speed up the construction of the source of original technology, complete the second phase of the "1025" research tasks with high quality, and strive to realize the transformation of some technological research into products.

Efforts should be made to build an effectiveness-oriented scientific and technological innovation work system and improve the output and transformation efficiency of scientific and technological innovation results. It is necessary to increase the supply of scientific and technological innovation policies, and explore special policies such as the establishment of the Group's scientific and technological innovation fund support mechanism and an internal first (set) application support mechanism.

We will continue to improve the customer relationship management system, optimize customer satisfaction survey methods, enhance data analysis capabilities, conduct closed-loop management of customer relationships, and effectively improve customer satisfaction.

We will make every effort to ensure the supply of electricity and gas in the market; we will give full play to the overall advantages of the healthcare sector, smooth channels for purchasing medicines, diagnosis and treatment, make every effort to ensure market demand, and go all out to ensure the production and supply of medical supplies in various places.



78	Story IV "Green Electricity" Empowers Rural Revitalization
80	Concept and Vision
80	Results
82	Improving the Ecological Environment Protection Management System
85	Accelerating the Promotion of Green and High-Quality Development
87	Carrying out In-Depth Battle against Pollution
89	Promoting Green Transformation of Industries
90	Protecting Biodiversity
91	Strong Support for the Development of Environmental Protection Industries
91	Promoting Green and Low-Carbon Production and Lifestyle
92	Carbon Management
93	Green Management
95	Green Operation
101	Commitment and Performance

Story IV

"Green Electricity" Empowers Rural Revitalization



Zhang Xian

Deputy Director of the Development Department of Central China Region of CR Power

There is a vast expanse of water in Huanggaihu Town, Chibi City, Hubei Province. There are fields of lotus leaves standing in the water, with neat rows of solar photovoltaic panels. They stand facing the sun and shine in the sunlight. This is CRH's Chibi Riyao Modern Agricultural Industrial Park, which is also the largest "Fishery-Solar Hybrid and Eco-Agriculture" photovoltaic power generation project in Hubei.

The vision of "beautiful countryside"

"Power generation on the panels and aquaculture under the panels can not only realize the three-dimensional and efficient use of sunlight and land resources, but also inhibit the propagation of algae on the water surface through the shading effect of the photovoltaic panel arrays, so as to achieve the improvement of water quality, lower the water temperature, promote the growth of fish and shrimp, and increase the income of the fishery industry." Zhang Xian, deputy director of the Development Department of Central China Region of CR Power said that the photovoltaic panels on the water can be rotated with the orientation of the sun, which can increase power generation income by about 10% or more compared with fixed photovoltaic panels.

"Since being connected to the grid for power generation at the end of 2022, this 'fishery-solar hybrid' photovoltaic power generation project can provide nearly 460,000,000 kWh of clean energy every year. Compared with thermal power plants with the same power generation capacity, it saves 130,800 tons of standard coal every year and reduces carbon dioxide emissions by 321,300 tons," he added.

In August 2021, Zhang Xian, majoring in environmental engineering, graduated with a postdoctoral degree at Tsinghua University and joined CR Power. "I joined the project team of CRH's Chibi Yangtze River Economic Belt Rural Revitalization Demonstration Zone as soon as I joined the company," Zhang Xian said. "I am mainly responsible for environmental governance, agricultural breeding and technological innovation."

Since being connected to the grid for power generation at the end of 2022, 'Fishery-Solar Hybrid' photovoltaic power generation project can provide nearly

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Compared with thermal power plants with the same power generation capacity, it saves

130,800 tons
of standard coal every year

Reduces carbon dioxide emissions by

321,300 tons

"The 'Fishery-Solar Hybrid' photovoltaic power generation project is an entry point for the rural revitalization demonstration zone," Zhang Xian said. The main planning area of the entire demonstration zone project is 62.02 square kilometers, covering fishery-solar hybrid, ecological governance, modern agriculture, recycling industry, cultural tourism and more, with the aim of exploring the development path of modern rural agriculture, innovating the "enterprise + government" win-win cooperation model, and creating a demonstration area that can be replicated and promoted.

He further pointed out that Chibi City has the reputation of "Wuhan's Back Garden" and is a natural ecological park city and a national garden city, with abundant wind power, photovoltaic and other new energy resources. Zhang Xian said excitedly, "There are mountains, rivers, forests, fields and lakes here, which is in line with our vision of 'beautiful countryside'!"

In addition to developing green electric power, the project team also conceived an industrial system layout that links first-tier, second-tier, and third-tier industries such as green mining, modern agriculture, and medical and healthcare. It is hoped that in five to ten years, this place will become a town with prosperous industries and an ecological and livable environment.

"Ecological Transformation" First

Dredging ponds and restoring water ecology are the first steps in the implementation of the entire project. Xu Doujun, the professional manager of ecological environment management of the project team, recalled: "There used to be ponds of different sizes here, all owned by the surrounding farmers. Some of the water quality has been polluted and belongs to below Class V; there is also a pool of stagnant water, and as soon as you approach it, there is a fishy smell."

He explained that ponds generally have the ability to self-purify, but as residual feed from farming accumulates, the nitrogen and phosphorus content in the water exceeds the standard, and pollutants gradually settle in the pond's bottom sediment. Once the pollutants exceed the pond's self-purification capacity, the water quality will deteriorate.

To create ecological agriculture with "fishery-solar hybrid", the dredging of old ponds is the first step. Simply put, it means cleaning the bottom mud in the pond. "We dug out more than one meter of sediment," Xu Doujun said. Merging ponds is the second step; that is to turn small ponds into a large pond, which is not only conducive to centralized management, but also conducive to intensive fish and shrimp farming. Subsequently, the water ecology of the pond must be restored, such as planting some aquatic plants that can consume nitrogen and phosphorus, improving the pond ecosystem, and forming a long-term virtuous cycle.

"Our goal is to make the pond achieve Class IV water quality in three years, and eventually reach Class III water quality," Xu Doujun said. "All these rely on monitoring data from professional institutions continuously and must be maintained for a long time. Now the water quality is clearer, and the fish population has increased, which are visible to local residents. Who doesn't want to live with green water and green mountains?"



CR Power's "Fishery-Solar hybrid + eco-agriculture" photovoltaic power generation project

"Sunshine Income" business

"The most important change is the change in mentality." Chen Hanjun, secretary of the Party Committee of Huanggaihu Town, Chibi City, said. The mentality of both the town government cadres and the surrounding people is changing. From the initial questioning and wait-and-see attitude, it gradually turned into strong support.

The Chinese believe that "you make the best use of local resources." In the past, local people relied on land production to feed their families. Nowadays, they need to transform their traditional production and lifestyle, from farmers to industrial workers, and establish the concept that "lucid waters and lush mountains are invaluable assets". This all requires a gradual process

"During the implementation of the project, we first transferred a large area of land in a centralized manner, and CR Power has the right to operate it," Zhang Xian said. The pond here used to belong to the surrounding villagers but is now leased by the industrial park to realize the integrated development of photovoltaic power generation, fishery breeding and agricultural planting. At the same time, the industrial park hires local villagers for a fee to perform daily maintenance of photovoltaic equipment, as well as engage in fish farming and agricultural planting. It is hoped that through the "base + enterprise + farmer" model, the surrounding people will become prosperous together.

"This is the modern agricultural system we have built. Simply put, it is to secure the people with a good future and let them see the development prospects in the next few decades." He added, "We hope that the elderly will have a stable income and that young and middle-aged people will be attracted by new job opportunities, stay in their hometowns, and take care of the elderly and children at home without worries."

Zhang Xian said with a smile that this is a business that "makes money as soon as the sun rises." This year is just the beginning of the project's operation. Local people who have left to find work are returning, and there are also more outsiders. Locals in their 30s and 40s are beginning to return to their hometowns for employment. Additionally, people from neighboring provinces like Hunan, Zhejiang, and Shandong are also arriving, primarily to work in fish farming and agriculture.

Talking about the successful experience of the project, Zhang Xian believes that there are at least two key lessons worthy of further promotion. First, there is a positive interaction between state-owned enterprises and local governments. Enterprises leverage their own capital and management advantages to activate local natural endowments and ecological resources, drive local development and increase people's income. The second is the interactive cooperation between state-owned enterprises, such as the division of labor between CR Power and enterprises in other fields to complete the construction of the entire green ecological industry. During the implementation of the project, CR Power joined hands with many strategic partners, including the mining and logistics industries. "Most of the proceeds from the project are used to invest in the further development of the local economy and achieve rolling growth. In terms of system design, we want to give back to society," said Zhang Xian.

"Empowering green development and creating a low-carbon life" is CR Power's mission during the "14th Five-Year Plan" strategic period. As a state-owned enterprise, CR Power has always adhered to the path of green and low-carbon development, proactively assumed the responsibility of environmental and ecological protection, and strived to become a world-class clean energy supplier and comprehensive energy service provider. Zhang Xian said, "In the future, we will continue to explore a modern rural agricultural development path, innovate the 'enterprise + government' win-win cooperation model, and create a demonstration area that can be replicated and promoted across the country."

Concept and Vision

Guided by Xi Jinping's Thought on Ecological Civilization, we have thoroughly implemented the spirit of the National Conference on Ecological and Environmental Protection, steadily practiced the major policy decisions of the Party and the state on energy conservation and ecological environment protection, and adhered to the coordinated advancement of carbon reduction, pollution reduction, green expansion, and growth. We also took practical and feasible measures in energy conservation and emission reduction, environmental protection, green development and other aspects to accelerate the formation of the spatial landscape, industrial structures, production methods and lifestyle that better fulfil our environmental responsibilities, and to highlight environmental protection as an integral part of CRH's high-quality development.

SDGs Responses



HKEX ESG indicators covered in this chapter:

A1.1, A1.2, A1.3, A1.4, A1.5, A1.6, A2.1, A2.2, A2.3, A2.4, A3.1, A4.1

Comprehensive energy consumption of the production value YoY (every RMB10,000) reduced by

1.42
%

Comprehensive energy consumption of the business revenue YoY (every RMB10,000) reduced by

5.65
%

Comprehensive energy consumption of the production value (business revenue) YoY (every RMB10,000) reduced by

3.35
%

Comparable comprehensive energy consumption of the added value YoY (every RMB10,000) reduced by

0.67
%



SO₂ emissions YoY reduced by

0.11
%

NO_x emissions YoY reduced by

3.24
%

COD emissions YoY reduced by

6.80
%

Total investment in environmental protection

2.641
billion (RMB)



CO₂ emissions of the production value (business revenue) YoY (every RMB10,000) reduced by

4.29
%



Jiangzhong Pharmaceutical Co., Ltd. was honored with the

Excellence Award of the 11th China Environment Awar

01



Jiangzhong Pharmaceutical Co., Ltd. was honored with the Excellence Award of the 11th China Environment Award

02

CR Beer's Zhengzhou Factory, Qiannan Factory, Xindu Factory, Heilongjiang Factory, and CR Double-Crane's Shanghai Changfu Factory were rated as

National Green Factories



CR Pharma Dong-E-E-Jiao was rated as a

National Green Supply Chain Management Enterprise

CR Power, CR Gas, CR Longdation and other business units and subsidiaries won

31

Hong Kong Green Enterprise Awards



03



Representatives of award-winning enterprises from China Resources Group joined the Hong Kong Green Enterprise Awards 2023 Award Ceremony

Among them, CR Longdation and CR Power respectively won the **"Corporate Green Governance Award" and "Corporate Leadership Award"**

CR Power won the

"Excellent Environmental Protection, Safety and Health Award" (Platinum)

CR Gas, CR Beer's Wenzhou Factory, and CR Land's Nanjing Company won the

"Excellent Environmental Protection, Safety and Health Award" (Gold)

CR Power, CR Longdation and China Resources Building won the

"Excellent Environmental Management Award" (Gold)

Improving the Ecological Environment Protection Management System

Strengthening Leadership Deployment

On 18 January 2023, the Group held the 2023 Environment, Health, and Safety (EHS) work meeting. Chairman Wang Xiangming made action arrangements for the high-standard implementation of relevant laws and regulations and superior requirements, carrying out ecological and environmental protection inspections and governance, and actively implementing "dual carbon" initiatives. CR Power and CR Building Materials Technology presented work reports on dual carbon management and environmental protection, respectively.

On 24 July 2023, the Group held an ecological environment protection work meeting to convey the spirit of the National Ecological Environmental Protection Conference, inform the Group of the ecological environment protection situation,

require units at all levels to implement the spirit of the National Ecological Environmental Protection Conference and carry out in-depth theme education activities. The Group extensively created a strong atmosphere to study and implement Xi Jinping's thought on ecological civilization and realized the spirit of the National Ecological Environmental Protection Conference, further stimulating strong motivation for ecological and environmental protection. The Group also focused on the implementation of ecological and environmental protection responsibilities, carried out in-depth efforts to prevent and control pollution, thoroughly investigated and rectified ecological and environmental problems, as well as actively and steadily promoted "carbon peaking" and "carbon neutrality" to make green development a hallmark of CRH's high-quality growth.

Establishing and Improving Environmental Protection Management System

We strictly abided by laws, regulations and policy standards related to energy conservation and ecological environment protection, studied new regulations and documents in a timely manner, and revised and improved environmental protection rules and regulations based on the Group's management requirements and the status of environmental protection work.

CR Beer has revised the "CR Beer Inspection Standards for Ecological Environmental Protection" to improve the pollutant prevention and control standards, supplement the key points of environmental protection inspection in the white wine industry, and enhance the standardization and professionalization level of ecological and environmental protection supervision and inspection.

Based on its own business characteristics, CR Longdation compiled and released the "Evaluation Indicators for CR Longdation's 'Green +' Creation", which stipulated the evaluation standards for green stores, hotels and properties, and integrated the concept of sustainable development into the company's business operations and management.

CR Pharma has compiled the "CR Pharma's Energy Conservation and Ecological Environment Protection Supervision and Management Measures", which divided enterprises into key categories, concern categories, and general categories, and clearly defined the category standards and management requirements, as well as promoted the effective implementation of hierarchical and classified management.

Carrying Out In-Depth Special Inspections on Ecological and Environmental Protection

We conscientiously implemented the main responsibility for ecological and environmental protection, adhered to a problem-oriented approach, intensified supervision and inspection of ecological and environmental protection, resolutely rectified outstanding environmental problems, and strived to fundamentally eliminate ecological and environmental risks.



► The Group carried out environmental protection supervision and inspection at Jinsha Brewery in the Yangtze and Yellow River basins



► General Manager Wang Cuijun inspected the safety production work of the Xuehua Science and Technology Innovation City project undertaken by CR Land

In combination with the latest laws, regulations, policy standards, and group management requirements, the Group revised and released the "General Inspection Points for Ecological and Environmental Protection of China Resources Group (2023 Edition)". The latest version of inspection points included a total of 9 inspection categories, 29 inspection items, and 124 specific inspection points. It focused on refining the content of pollution prevention and control, further improved the operability and practicality of the inspection points, as well as provided guidance for units at all levels to carry out daily ecological and environmental protection work and investigated and rectified ecological and environmental problems.

The Group established a special inspection team for ecological and environmental protection, which carried out special inspections on ecological and environmental protection for 38 grassroots enterprises, including CR Beer's Xing'an Factory and Zunyi Factory, CR Power's Cangzhou Thermal Power, CR Gas's Xiangyang Energy, CR Building Materials Technology's Laibin Factory and Liangtian Factory, CR Pharma's Boya-Bio, CR

Double-Crane's Shenzhou Biotechnology, and Shangqiu Factory. It helped identify ecological and environmental protection problems and guide the implementation of corrective measures.

The Group carried out special rectification actions to protect the ecological environment in the Yangtze and Yellow River basins, and organized inspections of CR Beer's Huangshi Factory, Hunan Factory and Jinsha Brewery, CR Building Materials Technology's Jinsha Factory, CR Sanjiu's Huangshi Factory, CR Double-Crane's Xiangzhong Pharmaceutical and other pollutant discharge units located in the Yangtze and Yellow River basins, so as to prevent and control ecological and environmental risks in the Yangtze and Yellow River basins.

The Group conducted a special audit on the statistical monitoring of energy conservation and emission reduction data of CR Vanguard, Beverage, Ng Fung, Power, Sanjiu and other units, focusing on verifying the statistical accounting caliber, scope, standards and methods of the data to ensure that the Group's statistical data is true, accurate and complete.

Conducting Special Investigation and Rectification on Ecological and Environmental Problems

We focused on key areas and organized special inspections and rectifications on compliance issues in sewage discharge permit management and self-monitoring of pollutant discharges. We detailed a list of projects, clarified inspection requirements, and promoted the implementation of rectification measures. The effectiveness of ecological and environmental protection has been significantly improved.

Strengthening Environmental Emergency Response Capabilities

We attached great importance to ecological and environmental risks, revised emergency plans for environmental emergencies, organized training and emergency drills, and effectively improved the emergency response capabilities for environmental emergencies.

The Group's Environmental Health and Safety Department teamed up with CR Beer to carry out emergency disposal drills for excessive sewage discharge at its Hangzhou Factory, personnel from the headquarters of each business unit and surrounding grassroots enterprises were invited to observe and learn on site. It also conducted daily operation and maintenance management and emergency response training for sewage treatment facilities to raise awareness, review plans, refine the mechanisms, and train teams.



► The Group organized an emergency disposal drill for excessive sewage discharge

Carrying out Ecological and Environmental Protection Publicity and Training

CR Vanguard's Guangdong Company joined hands with community organizations to launch the Good Child Project, opened a "Zero Carbon Home" themed class, and held a "Green Diary" low-carbon community check-in activity to popularize sustainable development knowledge, promote the application of low-carbon concepts in life and interpret green ecological development from a child's perspective.

Zhaoqing Huaiji Runzhou Project of CR Power's Guangdong New Energy Company participated in Taixi Village's 2023 "Little Hands and Big Hands Environmental Improvement" activity. The company employees worked with parents and children to clean up the campus environment and establish the concept of "protecting the environment is everyone's responsibility" in children's minds.

CR Gas, Land, Building Materials Technology, Longdation, Pharmaceutical Commercial, Sanjiu, etc. conducted online training on energy conservation and carbon reduction knowledge and prize-winning quizzes to strengthen employees' awareness of energy conservation and low carbon practices.

CR Beer's Bengbu Factory hosted the 2023 Bengbu Ecological Environment Bureau and Huaiyuan County People's Government's practical "unscripted" emergency response drill for environmental emergencies;

CR Pharma's Dong-E-E-Jiao organized emergency drills for hazardous waste leakage, and Boya-Bio and Zizhu organized emergency drills for sewage treatment facility failure;

CR Micro conducted emergency drills for environmental incidents such as chemical leaks and excessive gas emissions;

CR Chem-Mat conducted emergency drills for hazardous waste leaks and high-temperature heat medium leaks.

We have carried out solid empowerment publicity actions in ecological environmental protection and environmental compliance management, and continued to organize special environmental training to explain new national standards and requirements in relevant fields to enhance the responsibility awareness, management capabilities and professionalism of environmental management personnel.

CR Beverage teamed up with the "one-to-one" matching assistance project site - CR Hope Town in Nanjiang to carry out the "Lucid waters and lush mountains in Nanjiang" public welfare activity during World Water Day and China Water Week. Through low-carbon hiking, nature education, environmental protection classes, recycling co-creation, etc., local villagers and children are guided to establish a life philosophy of embracing nature, low-carbon and environmental protection.

CR EnvProtection's Runxin Company hosted the launch ceremony of the Inner Mongolia Autonomous Region's 2023 National Energy Conservation Publicity Week. Through the two-way integration of "online + offline" publicity channels, it combined the implementation of General Secretary Xi Jinping's spirit of important instructions during his inspection of Inner Mongolia with the promotion of the event. It called for taking the path of ecological priority, green and low-carbon development, consciously practicing a low-carbon lifestyle, and accelerating the comprehensive green transformation of economic and social development.

Accelerating the Promotion of Green and High-quality Development

Continuously Optimizing Industrial Structure

We developed low-energy-consuming businesses, limited or phased out high-energy-consuming businesses and products, actively promoted clean production in key industries, and accelerated the transition to green and low-carbon practices. In 2023, the Group's low-energy consumption business output value in the fields of gas, real estate, property, medicine, medical care and other fields increased by 1.4% compared with 2022.

CR Power has concentrated its resources on the development and construction of clean energy projects, mainly wind power and photovoltaics. The installed capacity of clean energy attributable to the company has reached 21.41 million kilowatts, and the proportion of installed capacity has increased to 37.80%.

CR Building Materials Technology promoted corporate transformation and innovation, optimized the layout of the industrial chain, focused on functional building materials

and new materials, accelerated the layout of aggregate production, and promoted the construction of assembly-type building projects and market expansion. It also achieved new breakthroughs in artificial stone, tile adhesive and other business fields. By the end of 2023, the annual aggregate production capacity exceeded 151 million tons; the annual production capacity of artificial stone production lines reached 26.1 million square meters; the annual production capacity of assembly-type buildings reached 550,000 cubic meters.



► CR Power developed and constructed the "Riyao Project" in Chibi, Hubei

Vigorously Implementing Energy-Saving and Emission-Reduction Transformation

The company successfully implemented and completed 16 "the linkage between three types of transformation". Among these 6 units, including Hezhou Power Plant and Guangzhou Thermal Power Plant have completed energy-saving and carbon-reduction upgrades, and 7 units including Jinzhou Power Plant and Cangzhou Yundong Power Plant have completed flexibility upgrades. Three units in Bohai Power Plant, Huaxin Power Plant and Dengkou Power Plant have completed heating supply transformation.

The company continued to promote the application of cement kiln preheater cross-flow, six-stage preheater and high-efficiency energy-saving equipment, and implemented the "quality and efficiency improvement" transformation of the cement kiln system. The comprehensive energy consumption of clinker products decreased by 4.21 kg standard coal/ton, and 15 production lines reached the energy consumption benchmark level. The high-energy-consuming motors of 90-185 kilowatts in the Shangsi Factory were upgraded to permanent magnet motors; the Tianyang Factory promoted high-efficiency centrifugal fans; seven cement factories including Fuchuan and Jinsha implemented modification on oil-free screw roots blowers.

We actively promoted the application of new energy-saving and emission-reduction technologies, equipment, materials, and processes, and vigorously implemented enhancements in these areas. We invested RMB2.641 billion throughout the year and implemented more than 1,500 projects.

CR Chem-Mat

The Changzhou Factory fully utilized the gas pressure difference at the natural gas pressure reduction metering station employing direct expansion screw power generation technology to recover pressure energy and generate electricity. The annual power generation can reach 2 million kWh; the Zhuhai Factory performed temperature control on the drying system and cooling system of the PET production line. Energy saving optimization can save at least 500,000 kWh of electricity every year.

CR Land and CR Digital

The companies jointly promoted and implemented smart energy-saving building upgrade and renovation projects. By installing AI energy-saving servers in existing control systems, real-time monitoring of main energy-consuming equipment was carried out, and the operating frequencies of wind system and water system equipment were dynamically optimized to keep each energy-consuming equipment in the optimal state. At present, the energy-saving optimization program has been successfully applied in 15 buildings, with an average energy-saving rate of more than 15%.

Vigorously Promoting Clean Production

We actively adopted measures such as upgrading equipment and facilities and strengthening source control of pollutants. We vigorously promoted clean production, as well as accelerated the transformation of green production.

CR Building Materials Technology

Midu Factory implemented 2 medium- and high-cost plans and invested RMB12.3 million in renovation to add dust collection and gas collection pipelines to solve problems such as dust at the bottom of the clinker warehouse, clinker leakage, and poor on-site environment; it also built a new domestic sewage treatment system, raw water backwash wastewater treatment system, and circulating wastewater treatment system to reduce discharge of water pollutants.

CR Micro

The Ansheng Factory optimized the cooling system of semiconductor packaging equipment and replaced the traditional flow cooling system with a circulating water-cooling system, which can reduce water consumption by more than 25% for each equipment.

Carrying out In-depth Battle against Pollution

We conscientiously fulfilled our political, subject and social responsibilities for pollution prevention and control, adhered to precise, scientific and law-based pollution control, and continued to improve the quality of air, water and soil.

Strengthening Waste Gas Pollution Control

CR Building Materials Technology's Changzhi Factory, Nanning Factory and Fengkai Factory 1# and 2# lines implemented catalytic reduction denitrification (SCR) ultra-low emission technology transformation, and the nitrogen oxides meet ultra-low emission standards. The two production lines of the Liangtian Factory were upgraded and transformed with supporting facilities. A composite desulfurization system was built to ensure that the sulphur dioxide emission concentration at the kiln tail was less than 35 mg/m3.

CR Double-Crane's Shangqiu Factory, CR Jiangzhong's Haisi Factory, CR Micro's Huajing Factory, etc. implemented comprehensive management of volatile organic compounds to improve the treatment efficiency of volatile organic compounds.

Strengthening the Management and Control of Wastewater Discharge Process

CR Beer researched interception methods when sewage exceeded discharge standards, formulated an overall plan for early warning interception and transformation of abnormal sewage discharge, established unified standards and requirements for transformation, coordinated equipment selection and acceptance standards, and achieved "no discharge of excessive wastewater" through automated means.

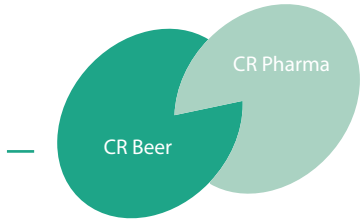
CR Building Materials Technology's Jinsha Factory has carried out zero-discharge wastewater technological transformation and adopted mature ultrafiltration technology and RO membrane technology to realize the regeneration and recycling of production wastewater. Currently, 31 cement plants have achieved zero wastewater discharge.



Jinshajiang Factory of CR Building Materials Technology

Strengthening the Whole-Process Management of Solid Waste

It carried out standardized management of hazardous waste throughout the process, formulated hazardous waste list guidelines and hierarchical management requirements based on industry characteristics, built hazardous waste storage model rooms and promoted replication, in order to comprehensively improve the standardization level of hazardous waste management.



Zizhu Factory in Qinhuangdao completed the hazardous waste intelligent transformation project. Through measures such as installing a monitoring system, adding intelligent weighing equipment, and upgrading intelligent terminals for hazardous waste warehouses, it achieved intelligent management and control of the entire process of hazardous waste generation, storage, and transfer.

Co-processing Social Wastes

We proactively assumed social responsibilities by implementing stricter standards and practical measures. We utilized cement kilns and coal-fired boilers of thermal power plants to collaboratively dispose of social waste such as urban and rural domestic waste, municipal sludge, and hazardous waste to achieve "harmless, reduction and resource utilization" disposal and promote the harmonious and symbiotic development of enterprises and cities.

Ten co-processing projects have been completed and put into operation, including those in Binyang, Guangxi and Midu, Yunnan. Throughout the year, 19.412 million tons of general industrial solid waste, 194,000 tons of domestic waste, 641,000 tons of municipal sludge, and 33,000 tons of hazardous waste were disposed of.

Nine power plants including Guangzhou, Haifeng, Nanre, and others. co-processed a total of 666,000 tons of municipal sludge throughout the year; Gucheng Power Plant co-processed 15,000 tons of pharmaceutical dregs; Shouyangshan Power Plant co-processed 1,400 tons of waste shoe materials; Jiaozuo Power Plant co-processed 15,000 tons of waste carbide slag; Hezhou Power Plant co-processed 143,000 tons of waste marble slurry; Jinzhou Power Plant co-processed 4,000 tons of waste carbide slag and 28,000 tons of white mud.

A new coking desulfurization waste liquid resource utilization project has been built in Wuhai, Inner Mongolia, and 11,000 tons of desulfurization waste liquid was disposed of in 2023.

CR EnvProtection



CR Power's Haifeng Power Plant Sludge Coupled Burning Disposal Project

Promoting Green Transformation of Industries

We actively led the green and low-carbon transformation of key industries. We were committed to promoting the concepts of green, environmental protection, and energy conservation throughout the entire life cycle of business segments and projects.

CR Land

It vigorously developed green buildings. In 2023, there were 45 new assembly-type building projects with a construction area of 6.12 million square meters; 10 new green building projects were added, with a green building area of 1.6457 million square meters. Zhuhai CR Bank Headquarters Building and Building 5 of the Xiongan New District Green Building Exhibition Center have received the "Ultra-Low Energy Building", and "Zero Energy Building" design certifications issued by the China Association of Building Energy Efficiency.



CR Land's Nanning China Resources Center project received LEED Gold certification

Protecting Biodiversity

Placing high emphasis on biodiversity issues, we are committed to protecting local ecological environment and habitats of animals and plants during project development, construction and operation. We strictly implemented the requirements of the ecological protection red line, the environmental quality bottom line, the upper limit of resource utilization and the ecological access list, as well as the 'three simultaneities' system for environmental protection, and took environmental restoration measures to minimize the impact of production and operation on the surrounding ecological environment to ensure the harmonious coexistence between corporate development and ecological environment.

We actively implement mine recovery. As of 2023, over 3.8 million square meters of mines have been recovered. 11 mines have been awarded the title of national green mine, and 16 mines have been awarded the title of provincial green mine. The Heqing Factory in Yunnan has invested a total of more than RMB10 million and completed more than 185,800 square meters of mine greening. The Yunhongling Mine has carried out the management of mining platforms and slopes, realizing the re-greening of mines of more than 30,000 square meters. The ecological environment of mines has been significantly improved.

Xishuangbanna Hydropower Station held the 2023 annual fish breeding and release activity, releasing nearly 300,000 fish of 7 species, effectively replenishing the river basin's economic fish and rare aquatic species population resources, improving the ecological environment of fishery waters, and strengthening the protection of aquatic biodiversity.



CR Building Materials Technology's Changjiang Factory mine slope re-greening

Strong Support for the Development of Environmental Protection Industries

We actively responded to the country's strategic deployment of green and high-quality development and strongly supported the development of the environmental protection industry from the industrial and financial sides.

CR EnvProtection was deeply involved in the comprehensive management of the ecological environment in the Yellow River Basin, gave full play to the exemplary and leading role of central state-owned enterprises, and deepened cooperation with state-owned enterprises in Gansu Province. It also increased its capital holdings in Gansu Runlong Environmental Protection Group Co., Ltd. to comprehensively strengthen collaboration in the fields of solid waste, hazardous waste disposal, resource utilization, and other comprehensive ecological and environmental services, and enhance the Group's influence in the ecological and environmental protection fields of the middle and upper reaches of the Yellow River and northwest China.

Industrial side

CR Bank launched the green financial product "Quick Loan for Solar Energy" to support the medium and long-term loans of distributed photovoltaic power generation projects. CR Trust has introduced new green trust businesses in areas such as new energy vehicles, photovoltaic power generation, and green buildings.

Promoting Green and Low-Carbon Production and Lifestyle

We actively exerted our corporate mission, connected social resources, advocated the concept of conservation, and promoted green and low-carbon production and lifestyle.



CR Beverage launched the "Plastic Recycling" program to help the whole society participate in plastic recycling

CR Vanguard actively responded to the "Earth Hour" initiative and proactively turned off non-essential light sources and non-main signage outside the store in more than 3,000 stores across the country to help save energy and reduce emissions.

CR Beverage officially launched a new environmental responsibility project "Plastic Recycling" during the "June 5th Environment Day". It continued to build a sustainable garden factory throughout the year and carried out beverage bottle recycling, exhibition interaction, environmental protection co-creation, etc. in the community, so that the public understood the entire process of plastic bottle recycling, participated in a green, low-carbon, recycling-oriented new life, helped the whole society participate in plastic recycling, effectively improved the public's awareness of sustainability, and promoted the development of a circular economy.

CR Longdation's Hong Kong Apartment Kapok participated in the Energy Saving Charter on "No ILB" launched by the Hong Kong Environment Bureau and the Electrical and Mechanical Services Department, and pledged not to purchase or use non-reflective tungsten light bulbs in response to the call for green offices.

Carbon Management

The Group accomplished the annual target of energy conservation and emission reduction assessment for the term of 2022-2024 of the heads of central state-owned enterprises.

Relevant Basis for Carbon Dioxide Emission Accounting

Business units	Basis of accounting	Electricity emission factor sources
CR Power	Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines - Power Generation Facilities Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Power Producers in China (Trial)	The Ministry of Ecology and Environment's "Notice on Reporting and Verifying Greenhouse Gas Emissions of Enterprises in Key Industries from 2023 to 2025"
CR Building Materials Technology	Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Cement Producers in China (Trial) Supplementary Data Sheet to the Greenhouse Gas Emissions Report Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial)	
Other business units	Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial)	

Green Management

Strengthening the Construction of Dual-carbon System

We formulated a strategic plan for green and low-carbon transformation and development, prepared and issued the Group's carbon peak action plan, refined the annual work plan and vigorously promoted its implementation. The strategic emerging businesses' revenue proportion, energy consumption intensity, carbon emission intensity, etc. are included in the assessment indicators, and a three-level management system covering the Group, business units, and grassroots enterprises has been established from top to bottom to further promote green and low-carbon transformation and development.

Promoting Green and Low-Carbon Transformation and Development of the Business

We actively promoted the construction of 11 major projects, including comprehensive energy conservation and carbon reduction upgrades, carbon dioxide capture and utilization, and pollution reduction and carbon reduction synergy projects.

The company accelerated the transformation and development of clean energy, increased investment in new energy sources such as wind power and solar power, and increased the proportion of total installed capacity of power generation equity to 37.8% in 2023.

CR Power

The company continued to promote green construction techniques and the construction of demonstration projects such as ultra-low energy consumption and near-zero energy consumption. In 2023, the company built 45 new assembly-type building projects with a construction area of 6.12 million square meters.

CR Land

The company used low-carbon and zero-carbon solutions to solve customers' energy needs, vigorously developed integrated energy businesses such as distributed energy and transportation charging, and initiated the construction of 133 distributed photovoltaic projects with a total installed capacity of 149 MW. The company also initiated the construction of 90 charging and hydrogenation stations.

CR Gas

The company increased the M&A and integration of functional building materials projects and expanded the business scale of artificial stone and tile adhesives. The total annual production capacity of artificial stone production lines in operation and under construction was 26.1 million square meters, and the annual production capacity of ceramic tile adhesive was 400,000 tons.

CR Building Materials Technology

Organizing Training and Exchange Activities

We organized a dual-carbon policy training seminar to interpret and promote the "Opinions on Accelerating the Establishment of Product Carbon Footprint Management System" and "Notice on Reporting and Verifying Greenhouse Gas Emissions of Enterprises in Key Industries from 2023 to 2025" issued by the National Development and Reform Commission, the Ministry of Ecology and Environment and other departments, so as to enhance the professional capabilities of carbon management personnel.

As the initiator, the Group participated in the establishment of the New Energy and Carbon Neutral Development Committee of the China International Council for the Promotion of Multinational Corporations to jointly promote the development of the new energy industry and help achieve the national carbon peak and carbon neutrality goal.

CR Power and CR Building Materials Technology have joined the "CarbonX Program" launched by Tencent as industrial partners to provide practical application scenarios for suitable technology projects and jointly promote the innovative development of the domestic CCUS industry.



Co-founding the Committee on New Energy and Carbon Neutral Development



Participating in the Launch Meeting of Tencent's CarbonX Program

Carrying out Assistance and Inspections to Improve the Quality of Carbon Emission Data

We organized internal experts to carry out special assistance inspections on 18 key carbon-emitting companies such as CR Power, Building Materials Technology, and Chem-Mat; CR Beer, Power, Building Materials Technology, Micro and other business units carried out special inspections on 61 key carbon-emitting companies. Through special assistance and inspections, we helped enterprises improve their carbon emission management capabilities, improved their carbon emission data and asset management systems, promoted the establishment of a comprehensive and efficient data quality management system, and facilitated the construction of a national carbon emission rights market.



CR Power held Carbon Emissions Management Meeting



CR Building Materials Technology launched special inspection of carbon emissions

Green Operation

Increasing the Development and Construction of New Energy Projects

We embraced the large-scale and high-quality development trend of the new energy industry and invested RMB31.3 billion in the development and construction of new energy projects in 2023. By the end of the year, the installed capacity of renewable energy power generation reached 21.41 million kilowatts.

CR Power has started construction of large-scale onshore wind power and photovoltaic power generation construction projects with a total capacity of 8.77 million kilowatts, including the 1 million kilowatt wind power at Santang Lake, Xinjiang, and the 0.6 million kilowatt photovoltaic power generation project at the Caofeidian Petrochemical Industrial Base of CRH, of which wind power accounted for 4.44 million kilowatts and photovoltaics accounted for 4.33 million kilowatts. It completed and put into operation large-scale onshore wind power and photovoltaic power generation construction projects with a total capacity of 6.56 million kilowatts, including 0.8 million kilowatts of photovoltaic power in Dongying, Shandong and 0.4 million kilowatts of photovoltaic power in Hotan, Xinjiang, of which wind power (including M&A) accounted for 2.96 million kilowatts and photovoltaics accounted for 3.60 million kilowatts. The first phase of Zhejiang Cangnan offshore wind

power project of 0.4 million kilowatts was completed and put into operation, and 4.26 million kilowatt offshore wind power resources were acquired in Fujian, Zhejiang, and Guangdong. It promoted the completion of approvals for the 0.7 million kilowatt Lianjiang offshore wind power project in Fujian, the 0.2 million kilowatt phase II expansion of Cangnan, Zhejiang, and the 0.306 million kilowatt offshore wind power project in Daishan, Zhejiang. The newly started capacity of distributed photovoltaic power generation and energy storage projects was 1.2071 million kilowatts, of which key energy storage projects such as 100MW/200MW in Shandong Jancheng, 100MW/200MW in Shandong Dongying and 200MW/400MW in Ningxia Haiyuan have been completed and connected to the grid.

CR Power's "Cangnan No. 1" Offshore Wind Power Project

This project is the country's first offshore wind power grid-parity project. The project is located in the eastern sea area of Cangnan County, Wenzhou City, Zhejiang Province. The center point of the site is about 26 kilometers offshore. It has a total of 49 wind turbines with a total installed capacity of 0.4 million kilowatts. At present, it has been connected to the grid at full capacity to generate electricity.

For the first time, the project has realized the practical application of large-scale units and all-monopile foundations in batches in geologically complex sea areas; for the first time, 10-megawatt wind turbines have been successfully applied in Zhejiang waters; the upper module of the offshore booster station created the shortest construction record of 130 days in China.

The project shortened the offshore construction cycle by nearly 50% and reduced investment by nearly 25%. The total investment cost was nearly RMB4 billion lower than other projects in the same sea area. It had a demonstration effect on the promotion of grid-parity offshore wind power.



Hoisting of CR Power's "Cangnan No. 1" offshore booster station

Strengthening the Construction of Low-Carbon and Zero-Carbon Demonstration Projects

We used the construction of low-carbon and zero-carbon demonstration projects as the starting point to promote dual-carbon work. Through the construction of distributed energy, substitution of fossil fuels, application of high-efficiency energy-saving technologies, construction of energy management platforms and other low-carbon and zero-carbon advanced technologies, we have created low-carbon and zero-carbon demonstration projects in factories, industrial parks, logistic warehouses and other scenarios.

The Group has already built 7 demonstration projects, including Sanjiu's Near-Zero Carbon Industrial Park in Guanlan, Gas's Huizhou Daya Bay Zero-Carbon Station, Vanguard's Olé Shenzhen Low-Carbon Experimental Store, Tianyang's Cement Green Low Carbon Benchmark Factory, Power's Xiantao 350MW Fishery-Solar Hybrid Project, Shandong's Pharmaceutical Commercial Low-Carbon Logistics Park. At the same time, by giving full play to the leading role of project demonstration, the Group promoted the construction of more low-carbon and zero-carbon projects, improved the overall efficiency gradually, and enhanced the Group's green and low-carbon level as a whole.

CR Gas's Huizhou Daya Bay Zero-Carbon Station



CR Gas carried out low-carbon and zero-carbon upgrades at comprehensive gas stations that integrate comprehensive offices, business services, LNG storage and distribution stations, and LNG/CNG filling stations, and explored new development mentality of "intelligence + green" for the stations to create a comprehensive zero-carbon, smart energy demonstration base for the industry. Utilizing the fire pool of the station, the open space of the station, the parking lot, and the roof of the office building, it built an integrated distributed power station with light storage and charging to realize the self-sufficiency of the station's electric energy and built a safe and efficient intelligent energy microgrid system. At the same time, it completed the construction of the regional gas intelligent control center to create a "5G + intelligent gas project".

CR Vanguard's Olé Shenzhen Low-Carbon Experimental Store



As an advocate and practitioner of sustainable development strategies, CR Vanguard's Olé has long been committed to promoting green consumption and the sound development of the ecological environment. It launched the "Environmental Protection Alliance" to connect with industry associations, professional organizations, brands, and suppliers. Based on the concept of "sustainable life", it created the first low-carbon experimental store in multiple scenarios that is recyclable, replaceable, and sustainable - Olé Shenzhen Low-carbon Experimental Store.



Organizing sustainable consumption forums

Strengthening Green and Low-Carbon Supply Chain Management

We continued to improve the green supply chain management system, guided green and low-carbon consumption, drove the upstream and downstream of the industrial chain to improve green and low-carbon management, and played a leading role in demonstration.

The company actively cultivated and promoted green, low-carbon, and environmentally friendly products. More than 200 related key products were sold every year, including carbon-neutral products such as milk, nuts and daily necessities, plant-based products such as oat milk, plant-based meat and coconut-based fermented yogurt, as well as ASC, MSC certified series of aquatic products. Through overseas supply chain and brand joint customization, it developed and promoted clean label products such as "EU organic certification" and "ecolabel" to create a variety of environmentally friendly home cleaning consumption solutions. The company strengthened the requirements for reasonable and green packaging of goods in the supply chain, eliminated excessive packaging, and actively introduced products with recyclable and biodegradable packaging materials in various categories.

The company incorporated green procurement-related standards and requirements into rules and regulations, gradually introduced them into all parts of the supply chain, guided suppliers to strengthen green and low-carbon management, and started converting some road transportation to railway and waterway transportation. In 2023, a total of 6.7 million boxes of pure water were shipped by railway and 960,000 boxes were shipped by water.

The requirements of green and low-carbon regulations were embedded in the front-end and back-end category research, supplier sourcing, pre-qualification, and bidding and tendering of the supply chain management process. Currently, CR Land's headquarters have 38 supplier partners with green factory certifications; 63 products with green building materials certification; and 30 products with green product certification.

In the setting of bidding scoring standards, green and low-carbon indicators were used as scoring bonus items, and the proportion of green and low-carbon products in corporate procurement continued to increase.

The company optimized supplier selection criteria, increased the weight of environmental and energy management indicators in supplier evaluation, conducted regular environmental and energy management audits of suppliers, strengthened green and low-carbon requirements, and guided suppliers to actively reduce carbon emissions and environmental impacts.

Implementing Green and Low-Carbon Recycling Transformation

By establishing internal resource recycling, energy cascade utilization, and waste co-disposal systems, we promoted the coordinated development of social green recycling industries and improved the level of green low-carbon recycling production.

CR Power

In 2023, coal-fired boilers were used to collaboratively dispose of 666,000 tons of municipal sludge, realizing solid waste resource utilization and turning waste into treasure.

CR Building Materials Technology

In 2023, cement kilns were used to co-process 19.412 million tons of general industrial solid waste, 194,000 tons of domestic waste, 641,000 tons of municipal sludge, and 33,000 tons of hazardous waste.

CR Sanjiu
CR Double-Crane
Jiangzhong

CR Sanjiu's Shenyang Factory, CR Double-Crane's Beijing Industrial Park, CR Jiangzhong's Nanchang Jisheng Pharmaceutical Factory, and others, recycled and utilized boiler flue gas waste heat to improve the level of energy cascade utilization.

CR Chem-Mat

The Changzhou Factory installed and built an expansion screw generator unit to recycle and utilize the gas pressure energy from the natural gas decompression metering station in the factory to generate electricity, with an average power generation of 260 kilowatts.

CR
vProtection

Through the "Run Smart Collection" system, the company recycled old clothes and developed alternative fuels. In 2023, the company supplied more than 163,000 tons of alternative fuels to cement companies, replacing nearly 77,000 tons of standard coal.



CR Building Materials Technology's Tianyang Factory

CR Building Materials Technology's Tianyang Green Low-Carbon Benchmark Factory



The Tianyang Factory used the "rotary kiln" (the core equipment of the cement plant) to collaboratively dispose of domestic waste, solid and hazardous waste, and others, replacing coal-fired raw materials in cement production. It not only significantly reduced fossil energy consumption and carbon emissions in the cement production process, but also truly realized "harmless, reduced, and resourceful" disposal, helping the city solve the environmental protection problem of garbage siege.

At the same time, the Tianyang Factory achieved comprehensive green and low-carbon production by using industrial solid waste as alternative raw materials, using grinding aids and coal-saving agents, implementing equipment modifications such as hot plate furnaces, and building a benchmark for intelligent manufacturing plants. At the end of 2023, CR Building Materials Technology's Tianyang Factory passed the review of the World Economic Forum in Davos Forum and became the first "lighthouse factory" in the global building materials industry.



Pure Electric Driverless Mining Trucks



Experimental Base for Space Arundo Cultivation

Carrying Out Dual Carbon Technological Innovation

We have conducted in-depth research and formulated a comprehensive spectrum of dual-carbon key technologies covering multiple fields such as electricity, building materials technology, gas, and real estate. We have carried out more than 20 low-carbon technology research projects, including large-scale low-cost carbon capture in coal-fired power plants, R&D and engineering applications of alternative fuel equipment for cement kilns, "hydrogen into ten thousand households" technology demonstration project, and ultra-low energy consumption buildings. Some research has made progress.

The company carried out research on construction industrialization technology and completed the formulation of 6 technical standards including "High Quality Standards for Assembly-Type Building Projects". The company carried out research on intelligent and efficient refrigeration systems for commercial complexes, and innovatively applied medium-temperature water refrigeration technology, variable water volume cooling technology, and independently innovative group intelligent control systems and other new technologies in the Nanjing Mixc project. The annual refrigeration energy efficiency reached 6.48, which saved 1.29 million kWh of electricity annually compared with the industry average energy efficiency of 3.5. It won the Excellence Award of Sustainable Achievement of the Year from the Royal Institution of Chartered Surveyors (RICS), an international authoritative organization.

The company carried out research on the application of high-precision detection technology, explored the application of and summarized high-precision methane leak detection vehicle technology, and increased the number and rate of methane leak detection.

A 100,000-ton carbon capture and utilization R&D platform project with carbon dioxide in-situ self-enrichment technology as the core was constructed at the Fengkai Cement Plant in Guangdong, and a 5-acre space Arundo biocarbon fixation experimental study was completed.



CR Land's Nanjing Mixc project won the Excellence Award for Sustainable Development Achievement

Commitment and Performance

Commitment Made in 2023



Sped up the development of clean energy and continued to increase the installed capacity of clean energy.

Commitment Performed in 2023



In 2023, the Group's power business invested RMB31.3 billion in the construction of clean energy projects, and the proportion of clean energy equity installed capacity increased to 37.8%. CR Beer, Beverage, Gas, Building Materials Technology, Pharmaceutical and other businesses used the roofs of corporate plants, unused vacant land, etc., to develop the use of distributed photovoltaics and increase the use of clean energy.

Continued to expand the scale and quantity of co-processed social waste, reduced the processing pressure of the Government, improved human's living environment and promoted harmonious coexistence of human beings and nature.

As of December 2023, the Group has used cement kilns and coal-fired boilers in thermal power plants to collaboratively dispose of more than 1.7 million tons of solid waste.

Increased investment in energy conservation and ecological environment protection, raised the energy saving and emission reduction benchmarks, and ensured the Group's completion of the annual targets designated by the SASAC.

The Group invested RMB2.641 billion in energy conservation and ecological environment protection, and actively implemented energy conservation and emission reduction projects. The energy conservation and emission reduction indicators continued to improve.

Carried out special inspections on ecological environment protection to help grassroots units identify existing problems and shortcomings in eco-environmental protection , proposed recommendations on improvement, and promoted compliance management of the Group's ecological and environmental protection

In 2023, the Group established a special inspection team for ecological and environmental protection to carry out special ecological and environmental inspections on 38 grassroots enterprises to promote effective solutions to existing ecological and environmental problems. It organized ecological and environmental supervision and inspections for some sewage discharge units located in the Yangtze and Yellow River basins, pointed out the existing ecological and environmental problems and supervised the implementation of corrective measures to eliminate ecological and environmental risks in the Yangtze and Yellow River basins.

Commitment Made in 2024

The Group will vigorously develop clean energy business and continue to increase clean energy installed capacity.

The Group will actively assume social responsibilities, continue expanding the scale of social waste co-processing, and promote the harmonious and symbiotic development of enterprises and cities.

The Group will continue to increase investment in energy conservation and environmental protection, implement energy conservation and environmental protection renovation projects, improve energy conservation performance and ecological environment protection levels, and ensure that the Group will complete the energy conservation and emission reduction targets set by the SASAC.

The Group will carry out in-depth special inspections of the Group's ecological and environmental protection, and conscientiously carry out special inspections and rectifications of ecological and environmental protection issues to solve ecological and environmental problems and prevent and control ecological and environmental risks.

104 Story V
"Continuing the Wheat's Legacy,
Brewing a Shared Excellence"

106 Concept and Vision
106 Results
107 Strengthening Strategic Cooperation
110 Deepening Fair Trade
112 Refining Supply System
115 Optimizing Media Relations
117 Commitment and Performance

Partner Responsibility

— Making Progress Together and Creating a Healthy Ecology

The People's Government of Guangdong Province
Signing Ceremony of Strategic Cooperation Framework Agreement

Pacific Coffee

The CR Shouzheng Platform has specifically reduced bidding costs for small and medium-sized enterprises by over

50
RMB million per year



Story V

"Continuing the Wheat's Legacy, Brewing a Shared Excellence"



Hulun Buir State Farm
Party Secretary, Chairman,
and General Manager

In the golden fields of the Hulun Buir Agricultural Reclamation Labdalin Ranch in Inner Mongolia, the wheat sways gently in the breeze, its ears ripe and golden. This is the first domestic barley standardization planting pilot base established by CR Beer, where the barley crop thrives, promising a bountiful harvest. In May 2023, CR Beer, in collaboration with the National Barley and Qingke (Highland Barley) Industry Technology System, Hulun Buir State Farm, Hulun Buir Spring Bud Malt Co., Ltd., and other organizations and enterprises, launched the "Research on Quality Improvement and Standardized Planting Quality Assurance System for Domestic Barley" project at the Hulun Buir Agricultural Reclamation Labdalin Ranch.

"National Barley Revitalization" Initiative

"As the world's largest beer producer and consumer, our country relies on imports for approximately 90% of the barley needed for brewing," noted Li Xiaodong, General Manager of the Procurement Management Center at China Resources Snow Breweries Co., Ltd. To strengthen the supply chain and reduce dependence on imported barley, CR Beer, together with various stakeholders, launched the "National Barley Revitalization" initiative in 2021. This initiative aims to lead the beer industry by promoting standardized cultivation of domestic barley, contributing to revitalizing the domestic barley industry.

"There are three primary regions in our country that produce high-quality barley for beer: Northeastern China, Northwestern China, and Northern Jiangsu," explained Zhong Junhui, Director of the CR Beer Technical Research Institute. He has been dedicated to the development of high-quality barley for beer. After expert evaluation, it was determined that varieties such as the Northeastern Kenpi, the Northwestern Ganpi, and the Northern Jiangsu Yangnong and Supi varieties are among the best domestically produced barley strains. However, the challenge lies in converting these superior varieties into premium beer ingredients—malt. There is a lack of a comprehensive quality control mechanism across the entire industrial chain.

"The National Barley Revitalization initiative requires an 'advocate' to connect the research and development end with the demand end, paving a distinctive path for industrial development," said Li Xiaodong. CR Beer is leading the way by actively supporting the collaborative development between research institutions and enterprises, addressing the "breakpoints" and "bottlenecks" within the industry chain. This will establish a unique Chinese beer barley industrial chain system. "This is the inevitable path for the high-quality development of domestic barley," he added.

The Path of Standardized Cultivation

Following extensive research and analysis of factors including planting area, mechanization levels, quality assurance capabilities, processing capacities, enterprise scales, and willingness to collaborate in the three major domestic barley-producing regions, CR Beer selected the Hulun Buir Agricultural Reclamation Labudalin Ranch as its first domestic barley pilot project site.

"Hulun Buir State Farm (the "State Farm") has a rich history of 70 years and owns over 6 million mu (1 mu is equal to approximately 666.67 square meters) of arable land, with extensive experience

in barley cultivation," stated Secretary Guo Ping of the Hulun Buir State Farm, expressing confidence. As the only fully unified management zone in the national agricultural ranch system, the State Farm boasts high levels of scale, intensification, and mechanization, truly representing the "agricultural national team".

Guo Ping further emphasized that CR Beer has very strict requirements for barley quality: the barley must have high yields and excellent brewing properties; it should possess unique color and flavor to ensure a rich, full-bodied taste and long-lasting aftertaste in the beer; and it must have an appropriate protein content to enhance the overall quality of the beer.

Hulun Buir is blessed with ideal natural conditions, such as cool and humid climates, significant day-night temperature differences, ample sunlight, and soil rich in various minerals and trace elements, resulting in barley that is "full-grained, golden-colored, and rich in flavor." For malt and beer companies, the uniformity of barley is crucial, determining the stability of the malting and brewing processes and thus impacting the quality of the beer.

To meet these requirements, the State Farm selected a professional planting team to participate in the standardized cultivation pilot program actively. Working closely with CR Beer and industry experts, they chose suitable plots, selected premium barley seeds, and implemented standardized cultivation practices, including sowing, fertilizing, pest and disease control, harvesting, and cleaning. As a result, the quality of the Kenpi Barley 14 has significantly improved.

Strengthening the Barley Value Chain

The "Beer Barley Industrial Chain System with Chinese Characteristics" is a comprehensive system encompassing multiple stages, including variety breeding, agricultural planting, industrial processing, and commercial sales. Building a robust barley value chain involves the integrated development of the entire chain, including upstream planting and initial processing, midstream beer brewing and deep processing, and downstream sales and market promotion. "Only through coordinated development across all segments can we create a globally competitive barley industry," said Li Xiaodong.

Over the years, the State Farm has maintained a strong partnership with CR Beer. Secretary Guo Ping stated, "We support CR Beer in conducting various product trials and demonstrations on our farms, producing premium barley through contract farming. Together, we aim to create a domestic beer brand that meets market demands, driving the quality improvement and efficiency enhancement of the entire industry through the production of high-end products."

In 2023, the experimental demonstration area for CR Beer in the State Farm reached 2,800 mu. The experimental beer products developed with Kenpi Barley 14 as a raw material received unanimous praise from experts. In 2024, the standardized planting base and experimental demonstration area were expanded to 12,000 mu. Additionally, barley planting experts from the Heilongjiang Academy of Agricultural Sciences and plant protection experts from the Chinese Academy of Agricultural Sciences were engaged for technical guidance. This helped

gradually establish planting standards and guidelines that meet high-end demands. Furthermore, both parties are currently engaged in the introduction and propagation of high-quality barley original seeds to ensure the quality of subsequent barley sources and the sustainable development of the barley industry.

The quality improvement of barley at the State Farm is also supported by powerful scientific research capabilities and technological resources. At the National Germplasm Resource Center of China of the Chinese Academy of Agricultural Sciences, the team of Chief Scientist Guo Ganggang works diligently on various projects.

According to him, since its establishment in 2008, the National Barley and Qingke (Highland Barley) Industry Technology System has conducted breeding and integrated demonstration work for more than 95% of new barley and high-altitude barley varieties nationwide. Their research covers the entire value chain, including genetic improvement of barley varieties, soil fertility and cultivation, pest and disease control, mechanized operations, processing, and industrial economics.

In 2023, CR Beer formally initiated research cooperation with the system, focusing primarily on standardized cultivation of domestic barley and testing and evaluation of new barley varieties. The system experts selected multiple new barley varieties for testing and evaluation, chose suitable barley varieties based on local conditions, formulated detailed standardized cultivation plans, provided professional field management and disease control guidance during critical planting periods, and conducted professional assessments of seed and barley quality.

"In 2023, the quality of barley in the pilot planting bases in Inner Mongolia was significantly improved, and the quality in the pilot planting bases in Jiangsu reached high-yield levels. In 2024, we

will conduct standardized planting pilots in the Northwestern production areas while exploring studies on standardized expansion of domestic barley seeds, long-term high-yield and high-quality assurance mechanisms, and long-term testing and evaluation of new varieties," said Guo Ganggang.

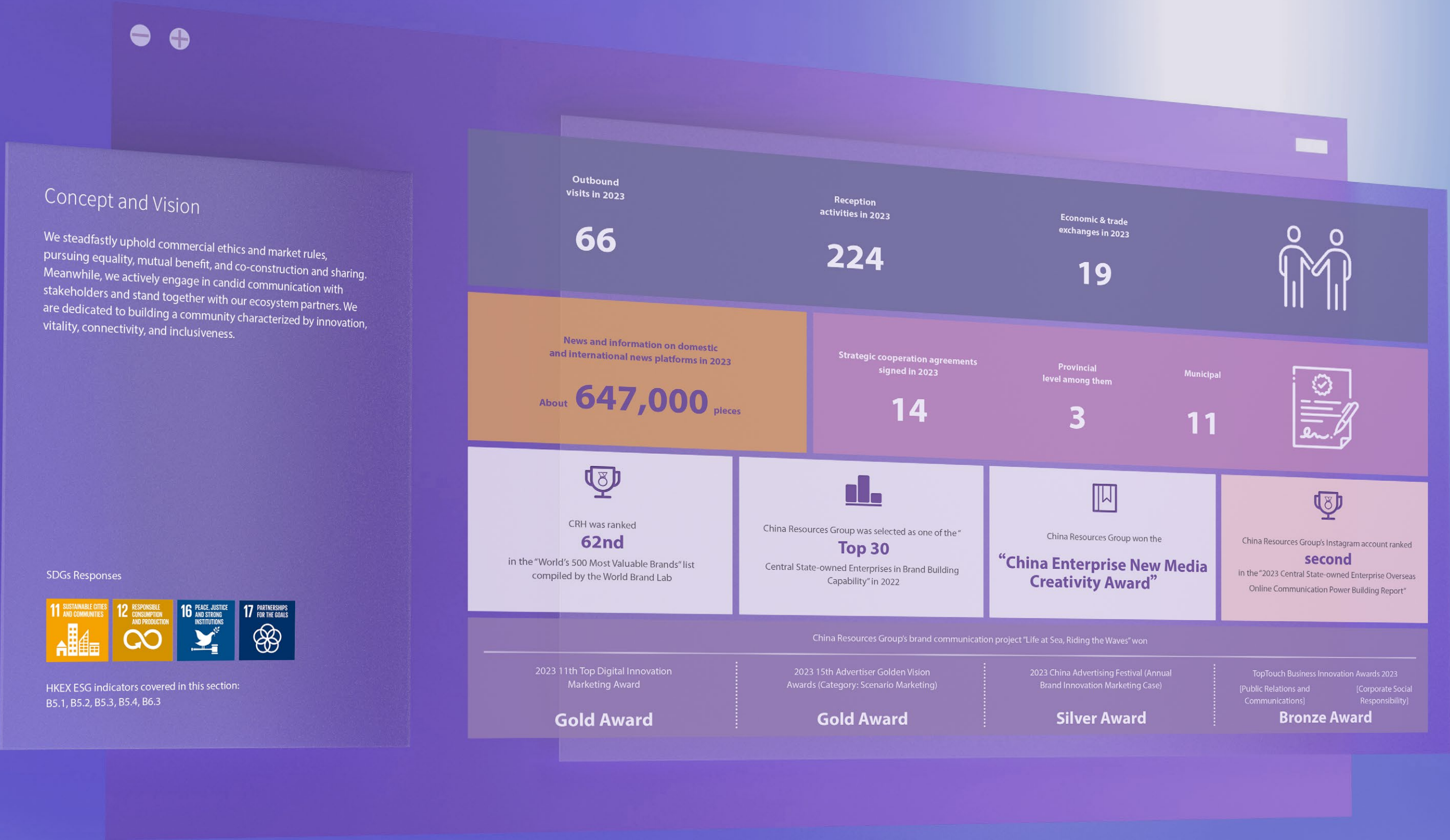
Today, it has become a shared aspiration among all partners to continuously optimize and upgrade the entire industrial chain, strengthen close cooperation between upstream and downstream enterprises, and ensure efficient connections at every step from seed development, and planting to harvesting, processing and brewing.

"We must start from the market and demand sides to drive the development of the barley industry. By developing high-end beers from domestic barley throughout the industrial chain, we can achieve higher profits, which in turn can benefit the planting and initial processing stages, promoting overall improvements in all sectors of the barley industry," stated by Guo Ping. On the foundation of building a complete and market-oriented beer barley industrial chain, the goal is to gradually increase the planting area of high-quality barley, ultimately achieving the "National Barley Revitalization".

"Satisfying the needs for a better life is what drives us forward," said Li Xiaodong. The standardized cultivation pilot base is just the first step for CR Beer. Moving forward, CR Beer will summarize the experiences gained from standardized cultivation, make dynamic adjustments, and continue to advance the "National Barley Revitalization" to new stages, achieving mutual benefits and win-win outcomes across the entire industrial chain.



CR Beer's Standardized Planting Pilot Base for Domestically-Produced Beer Barley in Hulun Buir



Comprehensive Central State-Owned Enterprise Collaboration

Capitalizing on the opportunities presented by specialized integration within central state-owned enterprises, we have actively deepened cooperations with external enterprises. In 2023, we entered into strategic cooperation framework agreements with five external enterprises, including China Unicom, China Life, and NIO, among others. We officially launched the South Grid Guizhou Medical Wellness Project and

completed the phased integration of medical resources with China Aerospace Science and Technology Corporation and China Baowu Group. The CR Micro Runpeng project attracted strategic investments from the Big Fund II. We also strengthened cooperation and exchange with China Life and PICC regarding our Reits project.

CR BLDG Materials Tech Cooperates with China Aerospace Shenzhou Biotechnology in Space Bamboo Research



In October 2023, CR BLDG Materials Tech and China Aerospace Shenzhou Biotechnology Group jointly cultivated selected bamboo test-tube seedlings, which successfully underwent space-induced mutation aboard the Shenzhou XVI manned spacecraft. This marked a significant breakthrough in our collaborative research on space bamboo for energy-saving and carbon reduction.

Studies have shown that space bamboo exhibits advantages over ordinary bamboo, including faster growth rates, stronger plant structures, and higher yields per acre. When scaled up, space bamboo will enable a "triple-carbon economy model" that combines carbon reduction, carbon fixation, and carbon utilization. This experiment offers a promising new pathway for the cement industry to explore energy-saving and carbon-reduction strategies.



Selected Space-Bred Reed Materials Returned to Earth via Shenzhou XVI

Deep Engagement Across Multiple Industries

As an active participant and builder of "people's livelihood" and "the pillar of a great power", we engage deeply in industry exchanges, lead industry progress, and promote high-quality development across the value chain.

CR Beverage joined 34 industry associations and participated in the formulation of 13 national, industry, and group standards, including the T/SQIA 033-2023 Technical requirements for carbon footprint assessment of purified drinking water.

CR Power strengthened industry-standardization research, leading or participating in the development of one national standard, three industry standards, and four group standards, all of which were approved and published.

CR Gas participated in the revision of the international standard ISO16924 Natural gas fueling stations - LNG stations for fueling vehicles, delving into the bunkering business for ships. As the lead editor, the company contributed to the formulation of two standards, filling a gap in the domestic market and providing a reference case for the standardization of bunkering services in China.

CR Land contributed to the development of one national standard, one regional standard, two group standards, and two enterprise standards.

CR BLDG Materials Tech participated in the study of standards such as T/CSES 83-2023 Technical Guidelines for Air Pollution Prevention and Control in the Cement Industry, Product Traceability in Building Materials - General Requirements for Traceability Systems, and Evaluation Requirements for Intelligent Factories in the Cement Industry. It also collaborated with the China Cement Association and the China Building Materials Federation to address industry issues.

CR Digital participated in the formulation of seven national and group standards in the fields of information security, industrial Internet, and data storage security.

Broad-Spectrum Engagement and Interaction

In 2023, the Group actively participated in various economic and trade exchange activities, enhancing communication and interaction within the industry. In Hong Kong, we attended 19 events, including the "Belt and Road" Summit and 2023 regular meetings with Chief Executive John Lee Ka-chiu organized by the Hong Kong Chinese Enterprises Association. In various industry sectors, the Group's subsidiaries actively participate in industry exchanges and seminars.

CR Micro focused on industry-specific conferences, forums,

summits, and annual meetings, maintaining close interactions with clients, industry experts, and media. These engagements allowed CR Micro to stay abreast of industry trends and collaborate with associations and industry organizations to integrate resources and explore pathways for industry development.

CR Vanguard participated in the Urban Biodiversity and Sustainable Development Comprehensive Forum organized by the "One Planet" Foundation and the 10th China Charity Fair, promoting green and sustainable development within the industry.

Deep Integration of Industry, Academia, and Research

We made steady progress with the technology development work at the CRH - Research Institute of Tsinghua University in Shenzhen, completing the "Wireless Power Transfer Technology and Product Development Laboratory" project and conducting the mid-term review of the "Run UV" Intelligent Safety Laboratory project.

Focusing on organoids and organ-on-a-chip technologies, we collaborated with related entities within the CR Pharma sector and institutions such as Tsinghua University, Southeast University, and the Chinese University of Hong Kong. We explored a "joint R&D + independent R&D" model to build an organoid and organ-on-a-chip technology platform, actively discussing deep cooperation between Shenzhen and Hong Kong and the application for Hong Kong's [RAISE+ Scheme].

The Group's Carbon Neutrality Research Institute engaged in multiple technology exchanges with the Institute of Technology for Carbon Neutrality and the Research Institute of Tsinghua University in Shenzhen, advancing the transformation of scientific research results.

CR Land established four joint innovation platforms with the Research Institute of Tsinghua University in Shenzhen, the Shenzhen Institute of Advanced Technology of Chinese Academy of Sciences, the Shenzhen Academy of Aerospace Technology, and Huawei Device Co., Ltd. These platforms focus on key areas such as smart cities, green buildings, new building materials, digital technologies, and intelligent technologies, accelerating technology development and the transformation of research outcomes.

CR Chem-Mat initiated an engineering master and doctoral joint training program with Sichuan University to cultivate high-quality scientific and technological talent for the company. It also partnered with Changzhou Vocational Institute of Engineering, Changzhou Technician College Jiangsu Province, and Guangzhou Institute of Technology to establish order-based classes, providing a continuous influx of skilled personnel for the company.

CR Healthcare successfully advanced the post-investment integration of four hospitals under China Aerospace Science and Technology Corporation.

CR Jiangzhong and CR Sanjiu have joined hands with Jiangxi University of Traditional Chinese Medicine to co-build a National Key Laboratory of Modern Chinese Herbal Medicine



From September 1 to 2, 2023, CR Jiangzhong, CR Sanjiu and Jiangxi University of Traditional Chinese Medicine jointly held the "Development Conference of Classic Prescriptions of Modern Chinese Medicine". At the conference, the construction of the National Key Laboratory of Modern Chinese Herbal Medicine was officially launched.

CR Jiangzhong, CR Sanjiu and Jiangxi University of Traditional Chinese Medicine, through their strong partnership, have successfully obtained approval to establish the National Key Laboratory of Modern Chinese Herbal Medicine, marking an important step for the Group in the field of Chinese medicine innovation.

Guided by national strategic needs, the Laboratory aims to develop modern Chinese medicine products with clinically proven efficacy to improve public health. It will leverage classic prescriptions as a key entry point, transforming classics into premium products and renowned formulas into renowned medicines.

Deepening Fair Trade

We pursue fair, transparent, and sustainable trade relationships, opposing all forms of corruption and unfair competition, ensuring that our partners have equal opportunities for development. With the healthy development of the ecosystem as our goal, we fully implement sunshine procurement, signing the Transparency Declaration in 100% of our procurement activities, aiming to build a fair and healthy supply chain ecosystem.

Safeguarding Fair Competition and Carrying out the "Double Anti" Work

We have included anti-monopoly and anti-unfair competition as one of the legal compliance-based management functions, extending fair competition supervision from post-event correction to pre-event compliance.

The Group has invited the Anti-Monopoly Bureau under the State Administration for Market Regulation to conduct training sessions and delivered anti-monopoly risk compliance seminars at entities such as CR Gas and CR BLDG Materials

Tech. We also organized anti-monopoly compliance training programs

Furthermore, the Group compiled and released the Anti-Monopoly and Anti-Unfair Competition Information Bulletin, interpreting the new Anti-Monopoly Law and its accompanying regulations, providing forward-looking insights into the enforcement dynamics of anti-monopoly and anti-unfair competition in the field of people's livelihood in 2023.

Supporting Compliant Trade and Strengthening Anti-Bribery Management

We revised the Group's overseas anti-commercial bribery management guidelines, regularly conducting anti-commercial bribery audits for overseas investment projects. We also launched the certification process for the anti-commercial

bribery compliance management system. Specifically, we initiated the Certification Compliance Management System audit for ISO37001 Anti-bribery management systems, with a focus on the anti-commercial bribery domain.

Ensuring Equal Development and Strengthening Procurement Management

We maintain a fair and competitive market environment in our procurement processes, rejecting hidden barriers and refraining from imposing unreasonable conditions that may exclude or restrict any enterprise. We do not allow thresholds unrelated to business capabilities.

In 2023, the CR Shouzheng Procurement Trading Platform continued to standardize procurement behaviors on the platform, strengthening pre-event and in-process management. We addressed 374 instances of setting unreasonable thresholds for small and medium-sized enterprises (SMEs).

In 2023, we strengthened internal controls and risk management in procurement management, transitioning from procurement management to supply chain management. The total procurement amount for the year was RMB410.4 billion (excluding trade-type procurement). Of this, the centralized

procurement amount by the Group, secondary enterprise headquarters, and regional offices was RMB337.4 billion, with a centralized procurement rate of 82%. The amount of open procurement was RMB344.9 billion, with an open procurement rate of 87%. Electronic procurement amounted to RMB378 billion, with an electronic procurement rate of 95%, a 5-percentage point increase from the previous year.

In 2023, we continued to strengthen overseas procurement management. By the end of 2023, the China Resources Group Overseas Procurement Trading Platform had completed transactions totaling HK\$1.1 billion, with over 2,000 registered suppliers.

In 2023, we further developed our supplier blacklist system to assist in mitigating risks associated with supplier collaborations.

Respecting Intellectual Property and Protecting Innovation

Intellectual property (IP) work is essential for achieving brand excellence and innovation leadership. In 2023, we actively implemented the Group's "14th Five-Year Plan" IP strategy, ensuring effective implementation of all initiatives.

We continuously strengthened our self-regulatory mechanisms for IP, incorporated respect for others' IP rights into our strategic planning and institutional norms and promoted a corporate culture of respecting IP. Meanwhile, we organized centralized procurement for images, fonts, software, and other IP assets, requiring that all contents used in business activities were obtained through legitimate channels. Moreover, we conducted content checks on websites and public accounts to avoid exaggerations or misrepresentations in information release and trademark usage.

We continued to enhance our own IP protection system. We facilitated the establishment of the Shenzhen-Hong Kong Intellectual Property Operation Alliance led by CR Corporate Service; held an Intellectual Property Week campaign themed "Strengthening IP Protection and Utilization to Effectively Support Group Innovation"; launched a special exhibition titled "Accelerating Innovation: They Are Always on the Move"; and also unveiled the China Resources IP mascot for the first time.

We consistently strengthened our efforts to protect the CRH's trademark and brand. By the end of the year, we had initiated over 450 lawsuits for trademark infringement involving our core trademarks, and resolved over 3,000 cases through negotiation or complaint procedures, resulting in judgments awarding over RMB75 million in damages. The "China Resources" trademark was recognized as a China's Well-known Trademark 12 times.



CRH's "Strengthening the Protection and Utilization of Intellectual Property Rights to Strongly Support the Group's Technological Innovation" Intellectual Property Promotion Week

Widespread Integrity Building Activities at CR Power

In 2023, CR Power conducted over 50 integrity building activities with participating construction firms, suppliers, and other stakeholders. We signed more than 3,600 integrity building commitment letters and distributed 514 Integrity Cards. We organized collective learning sessions for over 600 individuals, covering cases of disciplinary violations and the Ten Commandments of China Resources, fostering a "closely-knit yet proper" and "clean and capable" relationship with our partners.

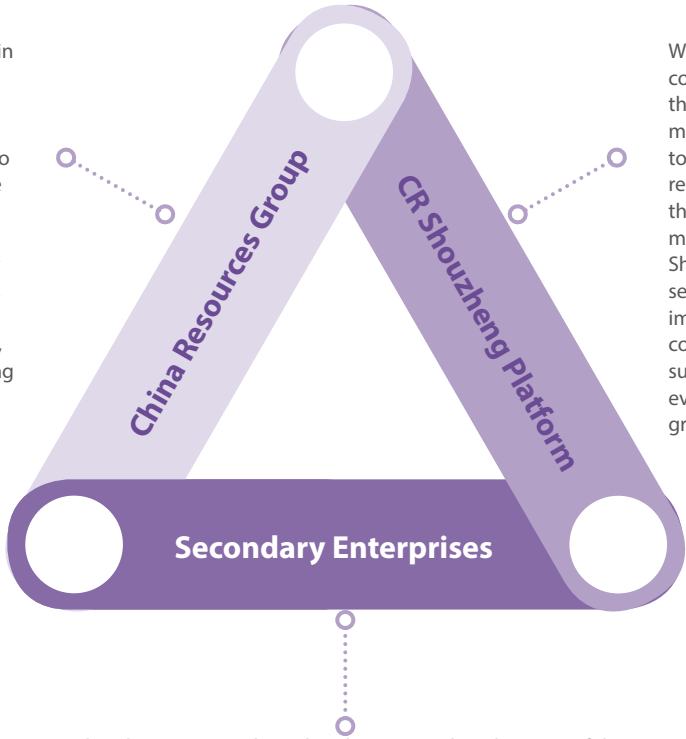
Refining Supply System

The sustainability of the supply chain is critical to both the narrow scope of industry development and the broader stability of the global economy. We continuously strive to balance short-term gains with long-term value, prioritizing the health of the supply chain from a strategic perspective.

Establishing a Robust Supplier Management System

We have established a unified and standardized supplier management system and processes across three dimensions: the Group's Headquarters, Shouzheng Platform, and Secondary Enterprises. This system encompasses sourcing, assessment, performance evaluation, credit management, grading, and disciplinary measures, forming a mature supplier management framework.

In 2023, the Group's Supply Chain Management Center issued the China Resources Group Supplier Management Guidelines, which requires secondary enterprises to establish a dynamic quantitative evaluation mechanism for suppliers. This includes strengthening the management of supplier fulfillment processes, evaluating their delivery timeliness, quality, performance, and after-sales service, enhancing communication and feedback with suppliers, and ensuring transparency and application of evaluation results.



We are responsible for constructing and optimizing the functionality of the supplier management system. According to the Group's management requirements, we have solidified these processes in the supplier management system of the Shouzheng Platform, assisting secondary enterprises in their implementation. This enables comprehensive management of supplier sourcing, assessment, evaluation, credit management, grading, and disciplinary actions.

In 2023, all secondary enterprises within the Group conducted evaluations and applications of their suppliers.

CR Land optimized its grading scheme from six dimensions: Quality, progress, cost, EHS, customer satisfaction, and supplier performance evaluation. Strategic category suppliers were categorized into four grades and listed in three categories. In response to changes in the real estate industry, the company implemented a "white list mechanism" for strategic category suppliers, increasing the share of supplier cooperation. Regular evaluation results were publicly disclosed through multiple layers and channels, with updates being released in real-time on the Shouzheng Platform. Meanwhile, the company organized regular "top-to-top" tri-level negotiation mechanisms and performance coaching meetings to discuss contract execution with suppliers and collaboratively devise performance improvement measures.

CR Beverage tailored evaluation methods for different categories and conducted online evaluations through the Shouzheng Platform. The evaluation criteria included incoming product quality, usage quality, market complaints, unannounced inspections, delivery status, cooperation and service, as well as technical support and social responsibility bonus and penalty points. Evaluation results were publicly announced on the Shouzheng Platform. Excellent suppliers were incentivized with increased shares and procurement evaluation bonuses, while non-compliant suppliers faced warnings, reduced shares, and even elimination.

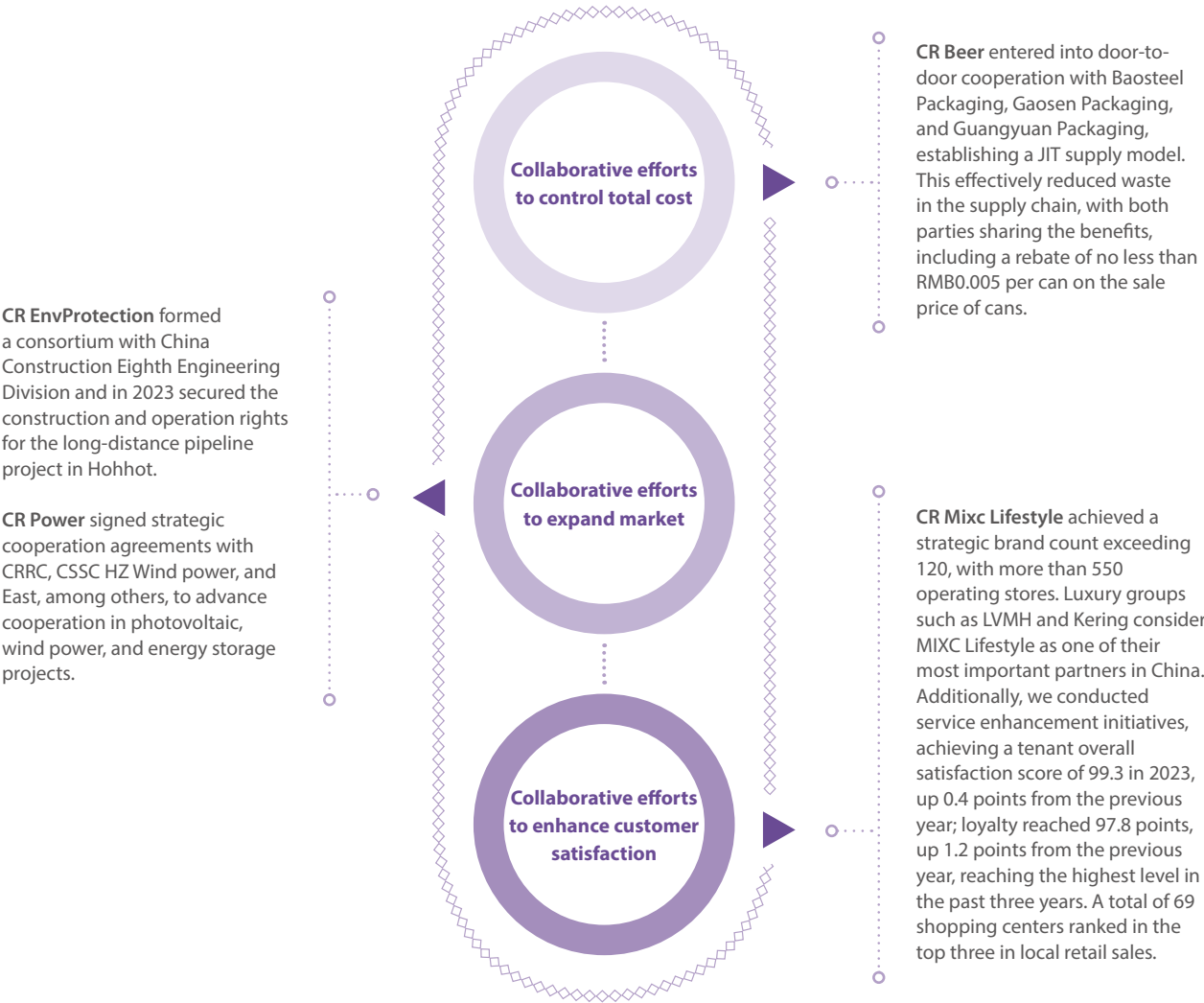
Promoting Synergistic Development of the Supply Chain

With the aim of reducing overall supply chain costs and focusing on customer orientation, we utilize systems such as SRM, ERP, and CRM to foster mutually beneficial relationships with upstream and downstream enterprises. This has resulted in positive outcomes in terms of supply chain cost control, joint market expansion, and enhancing customer satisfaction.

In 2023, the Supply Chain Management Center issued the China Resources Group Supply Chain Management Measures, which standardizes the establishment of long-term and stable partnerships between China Resources entities and strategic supply chains. This initiative drives deeper collaboration across all supply chain business segments, including design, research and development, procurement, production, warehousing, logistics, and sales.

Driving Value Enhancement in the Supply Chain

We promote the common growth of all enterprises in the supply chain by sharing our supply chain management expertise and requirements, contributing to overall value enhancement.



Strengthening Green Development in the Supply Chain

We implement green procurement, logistics, and packaging, encouraging suppliers to obtain green certifications and prioritize the purchase of green products, advocating for the construction of a green supply chain.

In 2023, the Group established the principle of "balancing lean efficiency and environmental benefits, actively promoting a green supply chain" for green procurement. We emphasized key

areas for green procurement and released the Acceleration Plan for Green Development and Beautiful China Construction of China Resources Group and the Green Procurement and Green Supplier Evaluation Mechanism of China Resources Group. These documents guide the conduct of green and low-carbon audits, performance evaluations, and communication with suppliers, driving the construction of a green supply chain.

Conducting Special Audits in the Supply Chain

We updated the Audit Rectification Management Measures of China Resources Group and the Audit Results Utilization Management Measures of China Resources Group, establishing important mechanisms such as audit interviews and audit warning education. We continuously include procurement businesses in various fields, such as engineering construction, commodity materials, marketing promotion, trade, and technology research and development, within the scope of

audit supervision. Moreover, we conducted special audits on nine units, including CR Power, CR Land, and CR BLDG Materials Tech, covering a combined engineering procurement amount of approximately RMB420 billion. We also carried out communication and interviews based on audit results, strengthened warning education, and promoted systematic rectification to comprehensively solidify the utilization of audit results.

Protecting the Rights and Interests of Supply Chain Customers

We support the development of SMEs and formulated the Action Plan for Clearing Arrears of Enterprise Accounts of China Resources Group, improving the long-term mechanism for preventing and resolving arrears of enterprise accounts (especially SMEs) and standardizing payment behavior to enhance accounts receivable and payable turnover rates.

We specifically reduce or waive the fees and projects on the Shouzheng Platform for SMEs, estimating an annual savings of more than RMB 50 million in bidding costs, supporting their participation in Group procurement activities.

We also guide the Shouzheng Platform to support SMEs in obtaining financing at lower costs. CR Shouzheng, together with ecosystem partners, created an integrated supply chain financial services business model involving "core enterprises + upstream and downstream suppliers + platform service providers + financial institutions," assisting small, medium, and micro suppliers in overcoming difficulties. By the end of 2023, the electronic bid guarantee substitution rate reached 34%, alleviating the funding constraints faced by small and medium-sized enterprises during the bidding stage in the supply chain.

Optimizing Media Relations

We stay attuned to the times, leveraging cultural values, strengthening brand management, and conducting communication activities to continuously elevate the image and corporate essence of the China Resources brand. In 2023, the "China Resources" brand was selected as one of the World's Top 500 Brands, ranking 62nd.

Core Focus on Positive Communication to Enhance Corporate Influence

In 2023, we continued to carry forward the red genes of state-owned enterprises. To commemorate the 85th anniversary of the founding of China Resources and the 40th anniversary of the establishment of China Resources Group, we widely organized a series of "8540" commemorative activities throughout the year. This included organizing an honor ceremony and an 8540 Commemoration Congress, publishing The History of China Resources (Volume 1), launching a corporate spirit documentary, and conducting activities such as "Young Employees Participate in Grassroots Programs" to showcase the corporate image and cultural connotations of China Resources.

In 2023, we extensively promoted our reputation in Hong Kong. Working with multiple partners, we enhanced the familiarity and affection of Hong Kong residents towards the "China Resources" brand.

We sponsored TVB's documentary No Poverty Land III: A Vast Expanse, which attracted more than ten million viewers in Hong Kong and overseas. Together with Phoenix Media Investment (Holdings) Limited, we co-produced a 12-episode large-scale public welfare panoramic humanistic natural geographic documentary Hong Kong Nature Stories, introducing Hong Kong's practices in natural environment, biodiversity, ecological conservation, and sustainable development models to a global audience.

The CR Charitable Fund provided funding to donate Hong Kong Nature Stories audio-visual teaching materials to 1,000 primary and secondary schools across Hong Kong.

Leading with Exceptional Management to Enhance Brand Storytelling

In 2023, we deepened our efforts in group brand building. We further strengthened the organizational support for brand construction work, issuing the Brand Construction Regulations of China Resources Group and relevant work guidelines. Meanwhile, we initiated a specialized inspection of group brand management and corporate image, and actively conducted centralized governance and maintenance management of new media platforms.

Using Media Relations as a Bridge to Enhance Public Perception

In 2023, we actively maintained media cooperation and exchanges. Upholding the principles of "integrity, respect, openness, and strategy", we maintained regular interactions with central media, mainstream media, financial media, specialized media, and independent media. Moreover, we actively conducted a series of promotional activities to improve the public's perception and reputation of the "China Resources" brand.



➤ "Toward the Future" CRH's 85th Anniversary and the 40th Anniversary of CRH Commemorative Exhibition



➤ Joint Launch of "Everything Plan" by China Resources Group and NetEase Cloud Music

China Resources Group × NetEase Cloud Music: The "Music Review Everything" Campaign Sets Sail Romantically



China Resources Group collaborated with NetEase Cloud Music, using the concept of "road" to innovatively create a customized "Music Review Highway" both online and offline. This vividly interprets the essence of the CRH brand attitude film The Road of Seeking the Way, sparking a viral sensation on new media platforms. The campaign generated a total of 64.335 million hard ad exposures, with off-platform self-propagated exposure totaling 260 million views, and the activity's micro-documentary was viewed nearly 1 million times.

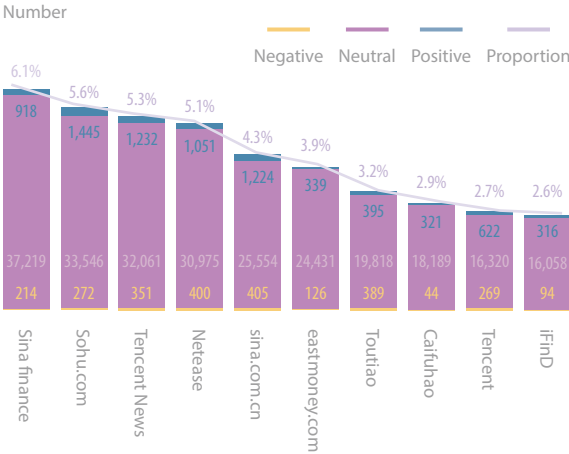
Enhancing Risk Control by Monitoring Public Opinions

In 2023, we maintained a steady approach to public opinion monitoring and management. The overall public opinion atmosphere around China Resources Group remained positive, with only one yellow warning event recorded.

Throughout the year, there were a total of 1,782,548 pieces of online public opinion information, representing an increase of about 5.8% compared to last year. There were 22,492 negative pieces of information, a decrease of 6.3% from the previous year.

Among these, the volume of news and information on domestic and international news platforms was approximately 647,000 pieces, a reduction of 44.2% from the 1.161 million pieces in the previous year. Negative information totaled 6,381 pieces, a decrease of approximately 57.55% from the 15,000 pieces in the previous year. Negative information mainly involved regulatory penalties, safety accidents, food quality issues, and individual rights protection in the large consumer and urban construction and operation sectors. Overall, the public opinion risks were manageable.

Distribution of News and Information Sources Related to China Resources Group in 2023



Data source: May 2024 data provided by the Public Opinion Monitoring and Analysis Room of China News Service

Level 3 Fire Incident at the Yuen Fat Godown in Cheung Sha Wan, Hong Kong



In late March 2023, a Level 3 fire broke out at the Yuen Fat Godown in Cheung Sha Wan, Hong Kong. More than 3,600 people were evacuated in an emergency, and those who suffered from smoke inhalation were promptly treated. The fire was extinguished after approximately seven hours. The incident received significant attention from both local and national media outlets, with 1,228 articles and reports published by sources such as Hong Kong media including HK01, ONTV, TVB News, RTHK, and HKET, and domestic media including Global Times, The Paper, and oeeee.com. Mainstream media and Internet users closely followed developments related to the fire, including the cause of the accident, evacuation and emergency response, and official statements. Reports objectively mentioned that the warehouse is owned by China Resources Group and CR Land, and referenced the earlier acquisition. No negative comments targeting China Resources were observed.

A special task force was established by the Group, CR Land, and CR Enterprise to monitor and analyze the situation. The task force engaged in extensive communication to develop a media response strategy. As a result, the public sentiment gradually stabilized and the impact on the company's brand reputation was generally manageable.

Commitment and Performance

Commitment Made in 2023



To strengthen strategic synergy and regional development information repository, timely collect regional development policy information, reflect the Group's investment and operational status, conduct regional investment environment assessments, track the implementation of strategic cooperation agreements, and share resources and project information.

Commitment Performed in 2023



In 2023, the Group strengthened central-local cooperation, signing 14 central-local strategic cooperation agreements throughout the year, including 3 provincial and 11 municipal agreements. We organized 66 outbound visits and completed 224 inbound exchange sessions. Also, we leveraged the roles of key regional working groups and the Hong Kong Working Committee, developed the Group's government cooperation information system, and promoted digitalization of strategic cooperation with governments, planning collaborative development in multiple fields.

To boost the construction of industry-academia-research platforms, drive the advancement of key project research and development, wage a battle for core technologies, and promote the application and utilization of more research and development outcomes.

Our annual R&D investment continued to grow. We recruited 43 high-level scientific and technological talents, added 3 leading scientific talents, and filed 1,339 new patent applications. The Group's first seven science popularization education bases were officially inaugurated. We completed the project approval for several original technology sources and established research institutions such as a joint smart sensor laboratory.

To strictly adhere to the Anti-Monopoly Law and the Anti-Unfair Competition Law, continuously strengthen internal governance, support stakeholder rights through ongoing signing of the Transparency Declaration, implement responsible purchasing, standardize the integrity and self-discipline of procurement operations, and promote fair trade.

The Group strictly adhered to anti-monopoly and anti-unfair competition laws, actively conducted publicity and training, and no major disputes related to monopoly and unfair competition occurred throughout the year. We signed the Transparency Declaration with 100% of our suppliers and established systems for sourcing, evaluation, assessment, credit, grading, and punishment, enhancing the integrity and self-discipline of procurement operations through a robust supplier "blacklist" management mechanism.

To actively respond to complex international situations, accurately assess the procurement environment, ensure balanced supply and reliable quality, maintain routine supply chain management, and enhance support for small, medium, and micro suppliers and dealers, facilitating mutual benefit and win-win scenarios.

Through a unified and standardized supplier management system and processes across three dimensions of "Group headquarters - Shouzheng Platform - Secondary enterprises", we promoted coordinated development of the supply chain and enhancing supply chain value. In 2023, we identified and promptly corrected 374 unreasonable conditions imposed on small and medium-sized enterprises.

To strengthen the management of public opinion platforms and continuously improve the professional capabilities and standards of the publicity team, standardize group brand construction, tell the China Resources story from multiple platforms, angles, and perspectives, and continuously enhance the influence and reputation of the China Resources brand.

In 2023, we conducted the "8540" series of commemorative activities, including an honor ceremony, an 8540 memorial banquet and memorial conference, the publication of The History of CRH (Volume 1), the release of a series of corporate spirit stories, and the "To the Future" theme exhibition. We also conducted the "Young Employees Participate in Grassroots Programs" and other activities, showcasing the corporate culture and brand. We continued to strengthen brand management, maintained media exchanges and public opinion monitoring, emphasized positive communication, and maintained consistency in messaging. The "CRH" brand was selected as one of the World's Top 500 Brands, ranking 62nd.

Commitment Made in 2024

To align with significant regional strategies to optimize resource allocation and industrial layout, leverage the "1+6" regional working group platform to deepen and elevate central-local integration, and implement a series of major projects.

To recognize the significance of strategic new industry investment in optimizing the Group's industrial structure, increase the strategic capital expenditure tilt, identify projects that align with the Group's strategic new industry plan, focus on major project acquisitions, establish a leading position in key strategic new industry sectors, and create a sustainable ecosystem for the continuous development of strategic new industries.

To further refine the procurement management system, strengthen daily compliance oversight, optimize procurement mechanisms, and enhance business efficiency and effectiveness.

To elevate the security and resilience of the supply chain, reinforce strategic material reserves, implement comprehensive punishment for suppliers on the blacklist across all areas, foster a fair competitive environment, and protect the rights of small and medium-sized suppliers.

To integrate the heritage of the red gene into all aspects of work, strengthen the management of public opinion platforms, leverage internal and external resources to expand the influence of communication, and enhance the CRH brand image; standardize brand construction work, deepen the new media communication matrix, advance the writing of The History of CRH (Volume 2) to further enhance the brand's reputation.

Executive editor: Zhou Chenyu Contributors: Zhou Chenyu, Fan Wenwen, Zhen Luyao, Guo Biao, Qin Longling, Liao Ruiqi, Lu Jiani, Liang Xiao

Public Responsibility

Companion Brings Positive Change



The Group has made charity donation amounting to

465

RMB million



- 120 Story VI
People's Livelihood, a Place to Live
- 122 Concept and Vision
- 122 Results
- 123 Cultivating the Gene of Love for Hong Kong and Integrating into the Development of the SAR
- 126 Coordinating Public Welfare Resources and Acting as a Corporate Citizen
- 127 Strengthening the Required Actions and Implementing the Supporting Tasks
- 132 Innovative Projects to Tap into Potential and Fulfill Responsibilities
- 134 Constructing Hope Villages to Facilitate Rural Revitalisation
- 137 Responding to Community Demands and Supporting Home Building
- 141 Strict Production Safety to Safeguard the Public
- 143 Commitment and Performance



Story VI

People's Livelihood,
a Place to Live

On November 29, 2023, General Secretary Xi Jinping visited the "Home of New Era Urban Builders and Managers Home of New Era Urban Builders and Managers" located in the CR Land Youtha Apartment Community in Minhang District, Maqiao AI Store, Shanghai. During his visit, he stepped into Room 118, the residence of Wu Tao. "The General Secretary's voice was warm and familiar." Wu Tao, still filled with excitement when reminiscing about the visit, said, "Each of us is the master of the city of Shanghai."

"Coziness Over Size"

Wu Tao, a 27-year-old resident of the "Home of New Era Urban Builders and Managers". He moved to Shanghai from his hometown in Anhui Province in 2017 to join the property sector. He has moved residences multiple times during the past six years. "I never expected the accommodations here to be this great." He further remarked, "The price is reasonable at RMB500 per month per bed, and the utilities cost only a few dozen dollars monthly. The rooms are also furnished with wardrobes, tables and chairs. Next to my room is a shared kitchen, laundry room and other shared spaces, making life incredibly convenient."

The "Home of New Era Urban Builders and Managers" prioritizes the living ambiance of the four-person rooms, aiming to offer residents a serene, convenient and harmonious shared space. In addition to the private kitchens and bathrooms in each room, the apartment features communal facilities including shared bathrooms, kitchens, laundry areas, telephone rooms, and study space. It caters to the dining and social needs of several people at the same time, embodying the ethos of "not be simple for nothing, and coziness over size."

Apart from work, Wu Tao enjoys spending time on the expansive 420-square-meter outdoor basketball court, studying in the quiet study room, and hosting friends in the ample communal living space. The community's commercial facilities cover various services such as restaurants, supermarkets, hair salons and courier stations, providing him with a sense of home and a high quality of life at the same time.

"Shanghai, as a megacity with a continuous influx of migrants, faces prominent transitional housing challenges for new citizens, young people, and frontline workers," said Chen Jia, general manager of CR Land's Long-Term Rental Apartments Division. The Shanghai government has unveiled the "14th Five-Year Plan for Housing Development in Shanghai" in 2024. It lists "developing rental housing" as the first key initiative in the 14th Five-Year Plan, and proposes to effectively enhance the provision of dormitory rental accommodations, establishing a multi-level rental housing supply system of "one bed, one room, one suite". "Youtha Maqiao project is situated in the Maqiao AI Innovation Pilot Zone in Minhang District, where emerging industries are booming in the surrounding area, attracting a large number of industrial workers and frontline laborers, resulting in a high demand for housing from these talented individuals" said Chen Jia. The project aligns with the Shanghai government's vision of a multi-level rental housing supply system of "one bed, one room, one suite".

According to specific demographics, the Youtha Maqiao project has crafted three types of products based on different categories.

The "one suite" option caters primarily to enterprise and public institution management personnel, science and innovation experts, and families. The "one room" option caters primarily to young white-collar professionals and fresh university graduates embarking on their careers. The "one bed" option caters primarily to urban frontline workers. Youtha offers comprehensive solutions for all kinds of accommodations tailored to diverse talents.

The "Home of New Era Urban Builders and Managers" is located in Building 5 of the Youtha Maqiao project, providing 35 square meters of two- or four-person "one bed" tailored to the needs of urban operation and maintenance staff, including construction workers, sanitation workers, gardeners, couriers, property managers, caregivers, and other civil service personnel in the vicinity.

In addition to offering various apartment layouts to cater to the rental needs of diverse customers, the community has also established the CR Land Youth Party Service Station, providing a full range of services including sports and fitness, government assistance, self-study and reading, and family-oriented activities. "The Youtha group inherits the red gene of CRH and we hope to implement party building leadership within the youth community," said Li Jiasheng, head of Shanghai operations for CR Land's Long-Term Rental Apartments Division. He elaborated, "By collaborating closely with local authorities, we have established a co-governance committee with township government, facilitating services such as residency certificate applications and assistance with social security and medical insurance for tenants."

The Youtha Maqiao project has garnered several recognitions, including the "Shanghai Talent Housing Project", the "First Talent Station Pilot Project in Minhang District", and the "Affordable Rental Housing Project in Minhang District".

Emergence of "Youtha"

In discussing the original intention of the creation of the "Youtha" brand, Chen Jia explained that on June 6, 2018, CR Land established the "Youtha" brand of long-term rental residences to effectively implement the central government's "combination of purchase and leasing" policy. It practices the idea of "meeting the housing needs" and advances the development and management of high-quality rental properties.

"To address the rental needs of various demographics in different regions, we have implemented city-specific strategies to form four major product lines, offering comprehensive solutions for rental communities in the market," stated Chen Jia. These four product lines include the large-scale rental community "Youtha International Apartment Community", the youth apartment "Youtha Apartment", the white-collar flat "Youtha Residence" and the high-end serviced apartment "Youtha Suites". Additionally, we have designed a multi-level supply system of three types of rental products featuring 'one bed, one room, one suite', to meet the differentiated needs of different groups within the same community.

"We are also continuously enhancing the comfort of our residents," stated Chen Jia. He elaborated that Youtha strives to establish a comprehensive living environment that is convenient, comfortable, safe and human-centered. By effectively addressing tenants' diverse

requirements including fitness, education, social interaction, entertainment and relaxation, the aim is to evoke the warmth of home within the community.

Youtha has established the "3i System" digital operational platform to foster a friendly, livable, intelligent, and secure community. This platform also enables remote management of security, household amenities, and comprehensive smart devices, offering tenants intelligent living spaces and convenient services covering clothing, food, housing, and transportation.

Within just a few years, the Youtha team has developed from a 13-person working group to a Long-Term Rental Apartments Division of more than 300 people. By the first half of 2024, Youtha expanded its presence to 15 cities nationwide and managed 56,000 rental apartments. It ranks first in the scale of management among central state-owned enterprises and is growing to be a leading brand in the long term rental apartment industry. Meanwhile, as the seventh brand of China Resources Group, Youtha was ranked 449th in the list of "China's 500 Most Valuable Brands 2024".

"Sustainable" Rental Platform

From the beginning of the establishment of "Youtha", CR Land has been aiming at issuing real estate investment trusts (REITs) and realizing the closed-loop of investment and financing.

In July 2021, the National Development and Reform Commission released "Document No.958", which officially included affordable rental housing in the infrastructure REITs pilot initiative. CR Land immediately established a special working group to prepare for the issuance of REITs. "Back then, with no existing precedents to draw from in this field, we had to wade a new path in the exploration," Chen Jia said.

Within just a year, on 9 December 2022, the Huaxia Fund CR Youtha Rental Housing Closed-end Infrastructure Securities Investment

Fund" (known as "CR Youtha REIT") was officially listed on the Shanghai Stock Exchange. Its underlying assets consist of two affordable rental housing projects developed and operated by CR Land, namely the Youtha Sijing Project and the Youtha Eastern Economic Development Zone Project. These projects are important demonstration projects for promoting the development of affordable rental housing in Shanghai.

"This signifies the industry's first market-driven agency operation, the first R4 leasing land construction, and Shanghai's foremost public REITs for affordable rental housing, which introduces the closed-loop development model of 'investment, financing, construction, management and withdrawal'." Chen Jia noted that this will be conducive to the function of the capital market and drive industry scale and professional growth.

In the future, Youtha will persist in advancing Pre-REITs and expanding projects, achieving a virtuous cycle from "nurturing and cultivating rental housing assets" to "operating and maturing them into Youtha REITs" and to subsequently "reinvestment in REITs to enlarge the scale of asset management". Leveraging the REITs platform, Youtha strategically positions itself as an industry-leading rental housing "operation + capital management" platform, aiming to create value for tenants, partners, investors and other parties. At the same time, it aims to pave a sustainable and high-quality new path for the development of long-term rental apartments.

"CR Land has constantly taken serving the national strategy and practising the concept of 'a place to live' as its own responsibility," Chen Jia said that Youtha will adhere to high-quality products and exceptional service to enrich the well-being of new residents and young individuals in rental accommodations, foster the regional development of work-life balance, and build comprehensive facilities to attract talent and investment so that affordable rental housing becomes a powerful measure to solve the "nesting" of new citizens and young people in the city.



Photo of CR Land's "Youtha" Start-up Team

Concept and Vision

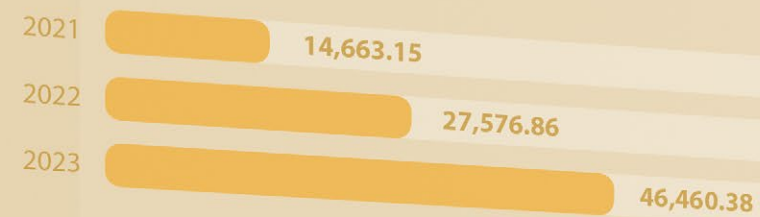
We fulfill public responsibilities as a responsible enterprise, supporting community construction, promoting culture and responding to public concerns. Regardless of whether it is the heart of bustling cities or the corners of lively towns, or the hamlets and country lanes of beautiful villages, we always set out with love and follow our hearts, bringing the positive and transformative power of CRH to build a harmonious community in its best effort.

SDGs Responses



HKEX ESG indicators involved in this chapter:
B8.1 B8.2

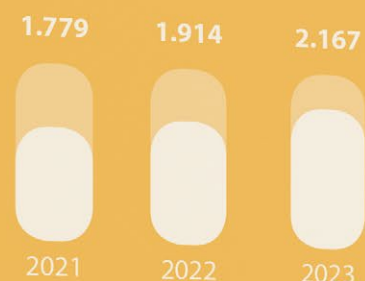
Total donations of the Group (in RMB ten thousand)



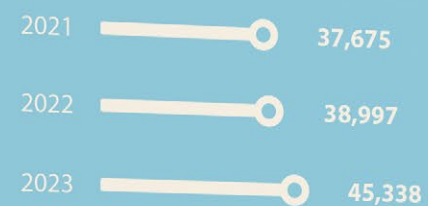
Funding for rural revitalization (in RMB ten thousand)



Funding for safety (in RMB billion)



Emergency drills (times)



Fatality rate per 1,000 employees (%)



Safe production training for employees (hours per ten thousand employees)



Safe production training for relevant parties (hours per ten thousand relevant parties)



Cultivating the Gene of Love for Hong Kong and Integrating into the Development of the SAR

As a central state-owned enterprise established and grown in Hong Kong, CRH has always been the most steadfast member of Hong Kong society. We leverage our own business scenarios to support the development and innovation of Hong Kong, contribute to the building of an international financial center and a hub for scientific and technological innovation, maintain social stability and prosperity, support the economic development of the HKSAR, and narrate a good story of Hong Kong's era.

Supporting Hong Kong's Economic Development

During this critical turning point in Hong Kong's economy, we have been expanding our market share in Hong Kong, strengthening regional cooperation, and stimulating market vitality, moving together with Hong Kong towards a stable and recovery path.

CR Land has completed the land compensation work for the Cheung Sha Wan project, marking the official start of the construction phase; the Kai Tak Pano Harbour project has achieved contracted pre-sale amount accumulative of HK\$5,204 million against the market trend, reaching a leading position in the regional market.

Upon acquisition of Yongjia Shipping, CR Bldg Materials Tech continued to integrate its businesses and strengthen its logistics and transportation capabilities, achieving rapid growth in turnover, with an internal year-on-year growth of 38% and a year-on-year growth of 6% in newly acquired businesses. The annual turnover was approximately HK\$1,250 million.

CR Longdation continued to promote the deep integration of property management business and functions, and its business revenue scale jumped to fourth place in the industry. Its two property management companies signed new contracts totaling more than HK\$1,200 million. It is in the process of establishing an asset management platform, recruiting internal and external industry experts, and has initially identified the first batch of investment targets. The effective rent of China Resources Building in Hong Kong ranked first in Wan Chai District, and its occupancy rate ranked second in Wan Chai District, continuing to maintain its leading position in the market and benchmarks.

The overall turnover of CR Logistics, CREP and Pacific Coffee under CR Enterprise increased by 22.9% year-on-year. CR Logistics completed the acquisition of the Fanling warehouse owned by Kerry Holdings, which consolidated its third position in Hong Kong's warehousing market share; CREP achieved an overall occupancy rate of 93.2%, a significant increase of 14ppt year-on-year; Pacific Coffee opened 8 new stores and launched 35 new drinks, 74 new food items.

CR & CNIC and the Hong Kong Real Estate Fund team under CR Capital MGMT focused on engaging with 9 domestic and foreign commercial and non-profit organizations to explore project and fund cooperation. The Hong Kong Real Estate Fund team procured CR Capital MGMT to sign a strategic cooperation agreement with New World Group and Great Wall Asset Management. The acquisition of the Tsuen Wan Industrial Building project has completed the conversion of the building's land at the end of 2023, and completed the payment of the conversion fee in the first half of 2024.



CR Ng Fung participated in Hong Kong Food Expo in 2023

CR Ng Fung's market position in Hong Kong continued to be solid, with the market share of livestock supplied to Hong Kong reaching 49.3%, a record high in the past five years; based on the 26% year-on-year decline in the sales price of live pigs supplied to Hong Kong, it sought to increase the number of pigs and realized a 20% increase in profit year-on-year; and the acquisition of the property rights of the Fanling Meat Processing Plant has been formally contracted.

Supporting the Construction of Hong Kong's Science and Technology Innovation Port

China Resources Research Institute of Science and Technology (Hong Kong) was established in Hong Kong Science Park. The institute is committed to serving as a bridge and promoter as its mission to facilitate cooperation and communication between the Group and mainland enterprises, and universities, technology research institutes and companies in Hong Kong, jointly promoting the construction of Hong Kong as an international innovation and technology center.

The Institute signed a formal cooperation agreement with the Hong Kong Polytechnic University to jointly establish the CR-PolyU Joint Research Institute for Carbon Neutral New Materials. Both parties will carry out innovative research, scientific talent training and start-up project incubation in the fields of carbon neutrality and materials science.

The Institute, has partnered with Aerospace Shenzhou Biotechnology, signed cooperation agreements with the Chinese University of Hong Kong and City University of Hong Kong to carry out cooperation in the field of space science experimental projects, and has successfully achieved project loading. In the future, the Institute hopes to promote university scientific research projects to participate in the national space program, build a communication bridge for domestic and foreign space technology as well as joint research, promote the transformation of space experiments to the ground, and drive industrial innovation and development.

The InnoCentre was jointly established with Yangtze Delta Region Institute of Tsinghua University Zhejiang (the Institute). It plans to set up a technology research and development center, an achievement transformation center, and a Haina center in Hong Kong step by step, which will serve as business platforms for high-level scientific and technological innovation and research and development, high-value scientific and technological achievement transformation, and high-standard international talent attraction.



The Hong Kong Police Force held the Good Citizen Award 2023, where CR Land and CR Enterprise were awarded commendation of the Good Organization Award

China Resources Research Institute of Science and Technology (Mainland) has been paying attention to the construction of the Hetao Cooperation Zone and has initially clarified the construction ideas of the Hetao Park. In the early stage, it plans to set up a research and development center in the field of biomedicine, and jointly establish an organoid and organ chip technology platform in Hetao with Tsinghua University, CR Pharma and CR Healthcare, linking Hong Kong universities and international high-standard R&D teams to carry out joint R&D, shared technology, experimental facilities, and sample resources, and to promote the transformation and application of R&D results.



CRH has engaged in the Strive and Rise Programme launched by the HKSAR Government

Improving the Wellbeing of Hong Kong People

Focusing on the livelihood in Hong Kong, various units within the Group including the Group Office, Human Resources Department, CR Land, CR Longdation, CR Enterprise, CR Corporate Service and China Resources Business School have leveraged their strengths and resources to collaboratively and efficiently advance operations in Hong Kong. China Resources Charity Foundation and Runai Tongxing Co., Ltd. played a critical role in this platform, by addressing the challenges faced by Hong Kong youth in areas such as education, employment, entrepreneurship and home ownership as well as issues faced by grassroots, creating innovative development projects and facilitating implementation and transformation, so as to improve wellbeing of people.

We donated HK\$32,409,900 to carry out or support charitable activities such as the “Beyond Dreams” I&T Talent Nurturing Programme, the Chinese traditional culture education programme for Hong Kong primary and secondary school students, Strive and Rise Programme, and assistance to Hong Kong people in need, providing unlimited possibilities for the future development of Hong Kong young.

Through supporting Runai Tongxing Co., Ltd., we have launched a number of projects, including “Runai Elderly Care”, “Runai Recreation”, “Runai Warmth”, “Runai Reading”, established more than 110 community service points, and expanded the service scope to 11 districts in Hong Kong. The number of volunteers has exceeded 800, and more than 700 community services have been carried out, with a total service hours of more than 10,000 hours, benefiting 10,000 households and 40,000 residents, and continuously improving the happiness and sense of gain of Hong Kong citizens.



The Hong Kong Police Force held the Good Citizen Award Presentation Ceremony 2023, where CR Longdation and CR Enterprise were awarded commendation of the Good Organization Award

We sponsored Hong Kong media to launch documentaries such as A Vast Expanse and Hong Kong Nature Stories, co-produced Hong Kong Chronicles · Nature - Supplementary Reading for Primary and Secondary Schools, and organized Hong Kong employees to participate in the Mainland In-depth Visit Programme and the Hong Kong Youth Summer Internship Programme, etc., to promote the integration of Shenzhen and Hong Kong.

Coordinating Public Welfare Resources and Acting as a Corporate Citizen

We always maintain a sense of gratitude and give back to society in various ways. In 2023, the Group donated more than RMB465 million in areas of disaster relief, poverty alleviation, rural revitalization, medical assistance, student sponsorship, and green development, focusing on supporting the disaster relief and post disaster reconstruction of major natural disasters such as the Luding Earthquake in Sichuan Province and Jishishan in Gansu to provide assistance and support for the purpose of rural revitalization across China.

China Resources Group Headquarters	Mainland	30000.00			CR Pharma	1 142.88
	Hong Kong	2973.39			CR Pharma Comm	2847.00
Consumer products	CR Beer	266.62	Healthcare		CR Sanjiu	594.10
	CR Vanguard	180.18			CR Double-Crane	1 166.85
	CR Beverage	121.99			CR Jiangzhong	505.02
	CR Ng Fung	94.83			CR Healthcare	82.00
					CR Capital	13.15
Integrated energy	CR Power	4889.00	Industrial finance		CR Bank	44.76
	CR Gas	328.00			CR Trust	45.15
Urban construction and operation	CR Land	400.53			CR Asset	14.36
	CR Bldg Materials	337.32			CR Capital MGMT	4.50
	Tech				CR Enterprise	38.57
	CR Longdation	255.48	Technology and emerging sectors		CR Micro	65.00
					CR Chem-Mat	49.70

Strengthening the Required Actions and Implementing the Supporting Tasks

In 2023, we implemented the requirements of state-owned enterprises for assistance, adhering to the principle of primarily focusing on “investment support and industrial cooperation as the core, and public welfare assistance and social donations as complimentary effort. We identified and leveraged the unique resources of paired assistance and support to counties, using the strengths of CRH platforms to help localities cultivate and develop competitive industries. This approach aims to address the issue of sustainable development and enhance the intrinsic momentum for growth within the supported counties, driving comprehensive rural revitalization.

Coordinating Paired Assistance and Support

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Building on the enhancement of the organizational structure, operational mechanisms, and responsibilities of the Group’s Rural Revitalization Leadership Team in 2022, we updated the team member roster in a timely manner in 2023. We conducted annual confirmations of the members in the Group’s paired assistance and support project taskforce, disseminating this information to all business units. Furthermore, we facilitated the smooth handover of officials who have reached their tenure limits.



Chairman Wang Xiangming and General Manager Wang Cuijun visited Haiyuan County, Ningxia for research

Resources Group took active action to provide emergency assistance to the Jishishan earthquake-stricken areas in Gansu



At midnight on 18 December 2023, a magnitude 6.2 earthquake struck Jishishan County in the Linxia Hui Autonomous Prefecture of Gansu Province, resulting in significant casualties and severe damage to infrastructure. In response, China Resources Group convened an emergency meeting to coordinate disaster relief efforts by arranging relevant enterprises to activate their disaster response plans in a swift manner and fully commit to rescue operations.

The Group’s Liaison Office in Gansu has implemented a strict 24-hour duty and on-call system to ensure the effective execution of disaster relief operations, timely communication of disaster information, and efficient delivery of supplies to affected households. CR Vanguard has made multiple donations of essential goods to the disaster-stricken areas. CR Beverages activated its emergency response mechanism, promptly dispatching the first batch of 12,000 bottles of Yibao water. CR Gas and CR Power continued to conduct post-earthquake hazard inspections and corrections to ensure support and supply. CR Pharma Comm has donated medical supplies, including alcohol, masks, and disinfectant gel. Additionally, CR Land has contributed protective materials such as tents, cotton clothing, bedding, folding beds, and electric blankets.

02



The Group visited the Runlian Factory in Yaoxi Village, Guangchang County for industrial assistance project on site

In 2023, leaders of China Resources Group, along with members of the Rural Revitalization Leadership Team and its office, collectively conducted 28 on-site inspections and guidance visits to Guangchang County, involving 109 participants; 20 visits to Haiyuan County, involving 80 participants; and 23 inspections and research trips to Qingliu County, involving 95 participants.

03

In 2023, we focused on promoting rural revitalization through industrial development. We actively encouraged each business unit to establish companies, launch enterprises, and build bases in the counties we support, so as to assist the counties in exploring internal potential and solidify its foundation in the industry.

In 2023, the Group invested a total of RMB749.4272 million in Guangchang County, Haiyuan County and Qingliu County for industrial investment and cooperation.



Commencement of China Resources Group's third training session for officials from paired assistance and support to counties

In May 2023, we successfully held China Resources Group's third training session for officials from paired assistance and support to counties. As a specialized initiative aimed at rural organizational revitalization, the training utilized our educational advantages and platform resources to offer a range of activities, including course instruction, field visits, industry integration, and action learning. This programme benefited 159 participants, facilitated 40 industry cooperation intention projects between CRH and local entities, and resulted in the delivery of 9 actionable research and discussion reports.

04

05

From 16 October to 10 November 2023, the "On the Fields of Great Prospects" (2002-2023) Rural Revitalization Achievement Exhibition was officially opened in the main hall of China Resources Building. This exhibition showcased the glorious journey of China Resources Group's systematic participation in the national poverty alleviation in a vivid and comprehensive way, targeted poverty alleviation, and rural revitalization initiatives over the years, highlighting the wisdom and contributions CRH has made during the period. A total of 56 departments, business units, directly affiliated organizations of the Group, as well as external social organizations and public welfare teams, visited the exhibition, with an audience of over 4,000 people.



The Group's leaders attended the opening ceremony of the Rural Revitalization Achievement Exhibition



China Resources Group and China Merchants Group jointly organized an initiative in relation to assistance for consumption for state-owned enterprises

In 2023, the Group purchased agricultural products valued at RMB575,350,000 from impoverished counties free from poverty, and facilitated sales of agricultural products amounting to RMB344,504,800 from these counties. China Resources Group, in collaboration with China Merchants Group, organized the "Shared Harvest, Joint Assistance for Revitalization" in Shenzhen, an initiative in relation to assistance for consumption for state-owned enterprises, signed a procurement intention letter exceeding RMB30 million for agricultural products, and showcased and sold local specialty products from supported counties and Hope Town totaling RMB210,000.

06

Assistance to Three Counties Comprehensive Rural Revitalization Work

Paired Assistance for Guangchang County

In 2023, China Resources Group invested RMB14,409,300 in Guangchang County for non-reimbursable assistance and RMB3,295,500 for reimbursable assistance, and introduced RMB55,000,000 for reimbursable assistance.



At the end of 2022, CRH started the construction of the "China Resources Hope Village - Lianxin Yaoxi" project in Yaoxi Village, Yiqian Town, Guangchang County, focusing on environmental improvement and paired assistance to the industry, exploring the path and connotation of the Hope Village model, and helping the comprehensive revitalization of local villages

The Group supported the operational development of the cultural and tourism integration in Guangchang. CR Vanguard continued to assist in the sales of agricultural products from Guangchang in its stores, achieving annual sales exceeding RMB11.13 million. CR Power constructed a 150-MW photovoltaic power station in Qianshan Township. CR Sanjiu allocated approximately 600,000 seedlings of Rough-leaved Holly and 325 kilograms of seeds to support the cultivation of the traditional Chinese medicine industry. CR Jiangzhong and CR Chem-Mat aided local enterprises in product development and sales, while providing technical support for industrial development.

We supported the preservation and transmission of "Meng Opera" originated from Guangchang, helping to promote this intangible cultural heritage as a cultural brand. We also supported Guangchang in hosting the National Youth Football Invitational Tournament. CR Beverage has made donations to construct a library at the Third Primary School in the county.

We donated RMB10 million to develop the China Resources Hope Village project in Dongkeng Village, Yangxi Township, including enhancements to the living environment, public services, and auxiliary facilities, as well as upgrades to industrial support infrastructure and digital rural governance systems.

We have trained a total of 300 grassroots officials, 60 rural revitalization leaders, and 2,974 technical professionals. We established the China Resources Education Fund in Guangchang, donating RMB235,000 to support 218 students within the county.

Fifteen officials from the county participated in the third training session for officials from paired assistance and support to counties organized by CRH. CR Pharma continued to implement the CR Healthy Village project, and organize training courses on appropriate TCM technologies. 608 rural doctors have been trained in the field and 1,824 rural doctors have been trained online.

Paired Assistance for Haiyuan

In 2023, China Resources Group invested RMB36,547,200 in Haiyuan County for non-reimbursable assistance and RMB709,631,700 for reimbursable assistance, and introduced RMB23,220,000 for reimbursable assistance.

The Group supported Haiyuan in building brands for agricultural products, renovating beef cattle breeding facilities, and introducing fresh-keeping processing equipment for goji berries. CR Vanguard assisted in the sales of agricultural products from Haiyuan, with Haiyuan millet currently available in 1,060 stores in China. CR Ng Fung organized field visits for distributors to promote the marketing of live cattle from Haiyuan. Together, CR Vanguard and CR Ng Fung strengthened the branding for beef, helping Haiyuan beef become the designated beef for the 2023 China-Central Asia Summit. CR Power invested in the construction of the photovoltaic power station in Jinqiaowan and the new energy shared storage station in Zhengqi Township. CR Gas endeavored to support the construction and operation of natural gas projects in Haiyuan, and assisted in the development of a county-wide pipeline natural gas plan. CR Sanjiu established a demonstration base for the industrialization of authentic goji berries and planned to collaborate with Sanhe Town on a deep processing project for goji berries.

The Group donated RMB690,000 to support renovation projects at seven primary schools in Sanhe Town and RMB450,000 for infrastructure improvements at Caowa Central Primary School and kindergartens in Caowa, Haiyuan. CR Vanguard launched the “Wonderful Mobile Classroom” project at Caowa Central Primary School. CR Beverage donated a library to Caowa Central Primary School.

The Group donated RMB6.98 million to build the China Resources Hope Village in Liuyao Village, Sanhe Town, benefiting 108 households. The project included the construction of pedestrian auxiliary roads and micro-parks, as well as upgrades to surrounding shops, sanitary toilets, clean energy, and energy-saving initiatives. The project also involved the renovation of the community cultural square to enhance its cultural promotion and display functions.

We have trained a total of 652 grassroots officials, 85 rural revitalization leaders, and 1,524 technical professionals. In Haiyuan, we established the China Resources Education Fund, with donations of RMB300,000 to support 1,500 students, and contribution of RMB508,000 to conduct the 9th and 10th phases of the “One-on-One” assistance programme for impoverished university students, where 15 outstanding beneficiaries were selected to participate in a public welfare exchange event in Shenzhen. CR Vanguard, CR Ng Fung and CR Power recruited 29 graduates in total from impoverished families in Haiyuan from higher education institutions.

19 officials from the county participated in the third training session for officials from paired assistance and support to counties organized by CRH. CR Pharma continued to implement the China Resources Healthy Village project in collaboration with the China Women's Development Foundation to provide trainings for grassroots healthcare workers and village doctors in Guanqiao Township, benefiting 10 township hospital directors, over 50 grassroots doctors, and more than 30 village doctors, while offering free medical consultations and health literacy training to local residents.



In 2017, CRH established the “Haiyuan China Resources Hope Town” in Guanqiao Township, within the Haiyuan County where received paired assistance, bringing transformative changes to the historically impoverished and arid region of Xihai Gu

Paired Assistance for Qingliu

In 2023, China Resources Group invested RMB36,796,900 in Qingliu County for non-reimbursable assistance and RMB36,500,000 for reimbursable assistance, and carried out a number of industry cooperation and charity projects for rural revitalization.



In early 2024, the “China Resources Hope Village · Shixia” established in Shixia Village, Linsha Township, Qingliu County with CRH's donations, was fully completed, which constructed a vision of “Hope Town + Hope Village,” providing practical experience and action plans for learning from the “Ten Thousand Construction” initiative and deeply supporting the rural revitalization strategy

The Group donated over RMB40 million to build the Milanhua Hotel in Shixia Village, Linsha Township, supporting the upgrades of key cultural and tourism projects in Qingliu's rural revitalization demonstration zone to achieve integrated development across primary, secondary, and tertiary industries. CR Vanguard procured agricultural products, including tofu skin and eggs. CR Beverage procured tea leaves from local tea enterprises. CR Bldg Materials Tech jointly established Qingliu Runfu New Materials Technology Co., Ltd. with Qingliu County to promote the transformation of the local traditional building materials industry towards greener and smarter practices, exploring projects in calcium-silicate new materials. CR Sanjiu constructed a total of 13,088 acres for the cultivation and breeding of Rough-leaved Holly.

The Group donated RMB800,000 to complete the renovation project for Linsha Central School. CR Beverage assisted in the construction of a library at Lijia Central Primary School.

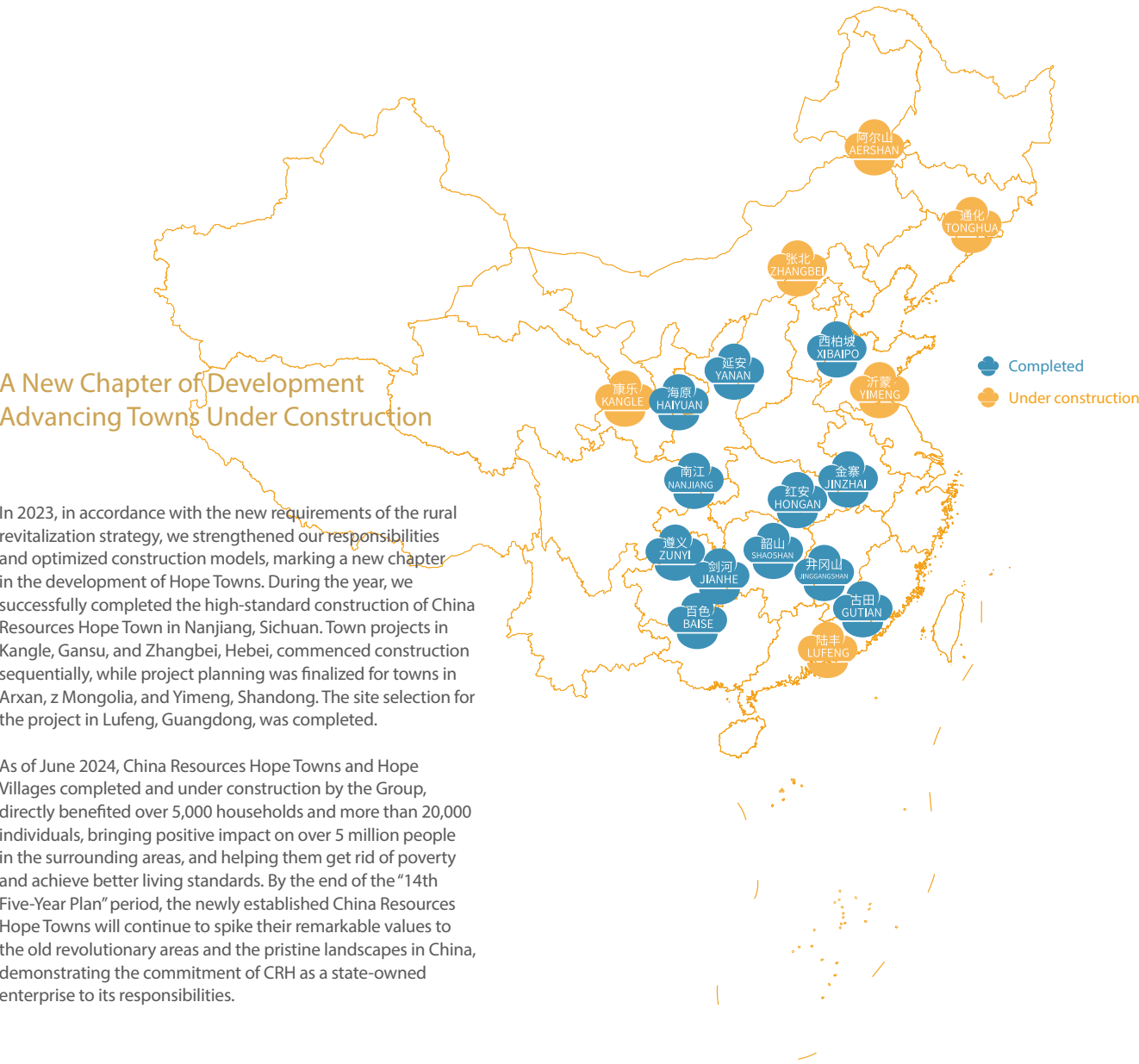
The Group established the China Resources Hope Village in Xianshui Village, Lijia Township and Nanshan Village, Laifang Town. CR Power's Run Carbon Technology Plan collaborated with Qingliu County on carbon sink development. A comprehensive assessment of the carbon sink resource potential development in Qingliu County's forests and tea gardens has been completed, with a preliminary carbon sink development plan underway.

The Group established a special scholarship fund to support outstanding students from financially disadvantaged families, with two disbursements of RMB600,000 each completed. CR Beer, CR Pharma Comm, CR Sanjiu, and CR Double-Crane recruited 16 graduates in total from financially disadvantaged families in Qingliu from higher education institutions.

17 officials from the county participated in the third training session for officials from paired assistance and support to counties organized by CRH. CR Pharma continued to implement the China Resources Healthy Village project, establish 6 standard village healthcare clinics and sponsor 5 village doctors from Qingliu to participate in the “Appropriate TCM Technology” training. We conducted two healthcare management and mutual aid activities on-site. CR Pharma Comm collaborated with the Qingliu County General Hospital to jointly upgrade the medical equipment management platform.

Innovative Projects to Tap into Potential and Fulfill Responsibilities

In 2008, CRH chose Baise, Guangxi, to build its first Hope Town. Over the past 15 years, we have advanced our efforts, successfully completing 12 Hope Towns in China, with an additional six projects in the planning or construction phases. In 2023, we remained committed to the fundamental attributes of China Resources Hope Town—political significance, public welfare, and a non-commercial model, focusing on four major visions, namely “environmental transformation, industrial support, organizational restructuring, and spiritual revitalization”. We have summarized and refined new model experiences in the construction and operation of these towns.



A New Operation Model to Build a Hope Town through Paired Assistance

We have formulated and published the Management Guidelines for Paired Assistance Between China Resources Group Business Units and China Resources Hope Towns (Trial), whereby business units under CRH provide one-on-one support to the 12 completed Hope Towns, which constructed a rural responsibility platform beyond the commercial model, exploring effective and distinctive operational management models. Each business

unit selected outstanding personnel to serve as “rotating town mayors”, who are stationed on-site to manage operations and focus on supporting the development of specialty industries. 2023 marked the first full year since CRH appointed “rotating town mayors” to its completed towns, showcasing the wisdom and commitment of CRH in a new era with industrial assistance and support industries have begun to take root.

1	CR Hope Town in Baise	Construction of a standardized mango planting demonstration base	86
2	CR Hope Town in Xibaipo	Construction of a 400-acre forsythia suspensa planting base	47
3	CR Hope Town in Shaoshan	Special tourism industry and catering service project	62.5
4	CR Hope Town in Gutian	Upgrade and renovation of all homestays in village	100
5	CR Hope Town in Zunyi	Construction of beer brewery	81
6	CR Hope Town in Jinzhaihua	Pharmaceutical tourism integration industry	100
7	CR Hope Town in Jinggangshan	Renovation and upgrade of Luofu Lecture Hall	100
8	CR Hope Town in Haiyuan	Paired assistance to related industries	/
9	CR Hope Town in Jianhe	Enhancement of tertiary industry allocation	72.2
10	CR Hope Town in Hongan	Construction of a water park for the tertiary industry	70
11	CR Hope Town in Yanan	Production and sales of pre-packaged dishes	100
12	CR Hope Town in Nanjiang	300 mu of Sichuan Buddha's Hand planting, 8 mu of demonstration tea garden planting, ornamental economic crop planting, 12 mu of soft-shell turtle breeding project	781.4

“Town Gifts” brand, aimed at assisting farmers with sales at China Resources Hope Towns, has been officially launched

AAAA

On 29 February 2024, the “New Year, New Journey” rural revitalization exchange and the “Savoring Intangible Heritage with Town Gifts” reunion event were grandly held at China Resources Hope Town in Nanjiang. The event marked the official launch of the “Town Gifts” brand, aimed at assisting farmers with sales by selecting high-quality agricultural products from Hope Towns. Through platform resources provided by CRH and various partners, the initiative enhanced brand recognition and connected sales channels for public welfare support. Currently, the product catalog includes 210 items.



Constructing Hope Villages to Facilitate Rural Revitalisation

Rooted on the development of the era, we plough deeply into rural areas, leveraging our extensive experience in the construction and operation of CR Hope Towns, to innovatively create the “China Resources Hope Village” brand project, which significantly assists the comprehensive revitalization of rural communities.

China Resources Hope Village initially selected natural villages in the counties under paired assistance, aiming to facilitate improvements in living conditions, enhance service standards, foster rural industry growth, boost farmers’ income, and contribute to the creation of a livable and beautiful countryside by implementing “environmental enhancement” and “industrial support”. It aims to elevate residents’ sense of fulfillment and happiness.

Up to now, China Resources has donated a total of RMB79 million to build five China Resources Hope Villages in Yaoxi Village, Yiqian Town, Guangchang County; Caowa Village, Caowa Town, and Liuyao Village, Sanhe Town of Haiyuan County; and Linshe Village, Shixia Village, Linshe Town of Qingliu County, benefiting 1,031 households and more than 3,700 villagers.

During the “14th Five-Year Plan” period, we also plan to build six Hope Villages in Dongkeng Village, Yangxi Town, Guangchang

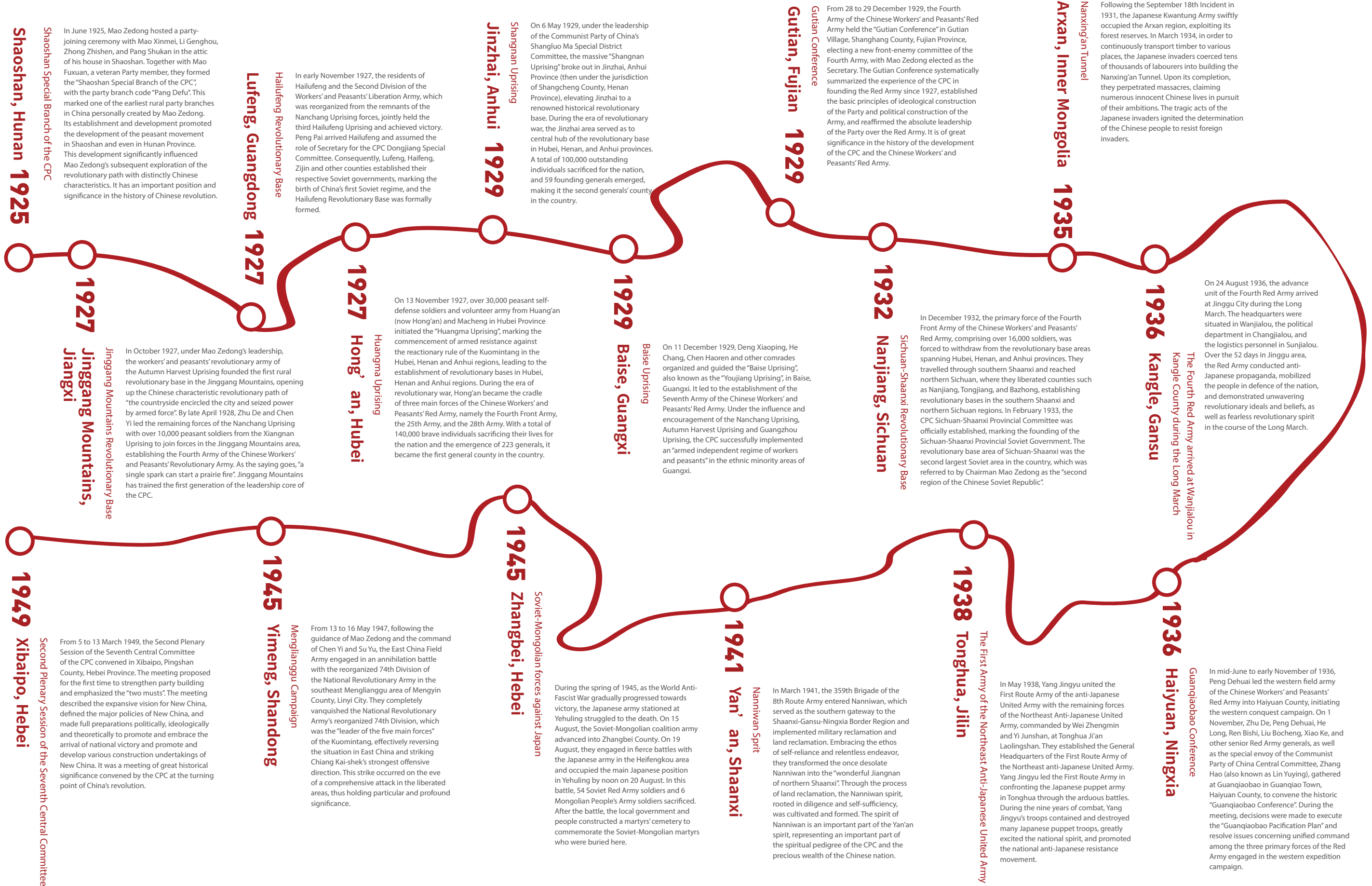
County; Huangping Village, Jiatang Township, Haiyuan County; Xianshui Village, Lijia Township, Qingliu County, and Nanshan Village, Laifang Township; as well as Shanglang Village, Wengyuan County, Shaoguan City, and Sanheba Village, Dapu County, Meizhou City, which were selected in response to the call of the Guangdong Province’s “One Hundred Million Project”, forming a new phase of the construction pattern of “7 CR Hope Towns + 11 China Resources Hope Villages”.



China Resources Hope Village & CR Hope Town, what is the difference between them?

Project Positioning	Brand project belongs to “Right Thing”.	Brand project belongs to “Optional Actions”.
Selection Area	Mainly located in Guangchang County, Haiyuan County and Qingliu County for paired assistance and counterpart support.	Located in the old revolutionary base areas and remote areas of the country.
Boundary of Development	It includes a natural village or village group, which only involves the construction of environmental improvement and industrial supporting facilities.	It includes multiple natural villages or village groups, focusing on the “environmental transformation, industrial assistance, organizational reconstruction, and spiritual reconstruction” four visions for comprehensive construction.
Amount of Investment	With China Resources’ free assistance funds and government matching funds as the main funding sources, each project will be funded by around RMB10 million.	Based on free donation funds from China Resources, the investment amount from China Resources for each project is around RMB100 million.
Major Component of the Model	The government assumes a leading role and bears responsibility for the project’s planning, design, and construction. China Resources only engages in the review of the planning and design, and does not dispatch a dedicated project working group.	The primary entity responsible for planning, design and construction is the government, and the specific implementation task is mainly carried out by China Resources, including the validation of the planning and design programme and the management the construction process. China Resources deploys a dedicated project working group on-site to carry out the assigned responsibilities.

Over the past 15 years, from 2008 to 2023, we have been travelling to old revolutionary base areas and remote mountainous areas across the country, selecting sites for the construction of CR Hope Towns, and exploring and summarising our experience in fulfilling our responsibility of “passing on the red genes and continuing the red bloodline”.



Entering the new era and new stage, we will embark on a new chapter in the construction and operation of Hope Towns based on the “12+6” framework with resolute strides and deeper insights, and contribute wisdom and strength to promoting rural revitalization and the construction of a beautiful China.

The Village Where the Dream Began

2008 Baise

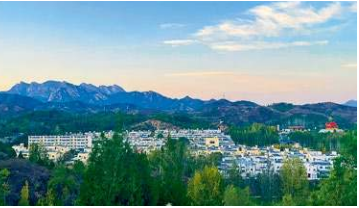
Baise CR Hope Town is located in the northwest Le area of Yongle Town, Youjiang District, Baise City, Guangxi Zhuang Autonomous Region. It consists of three natural villages, Dongyu, Tangxiong, and Naping, six village groups, 328 households, and 1,342 agricultural population. It was completed on September 20, 2009.



New China Came from Here

2010 Xibaipo

Xibaipo CR Hope Town is located in Huojiagou Village, Xibaipo Town, Pingshan County, Shijiazhuang City, Hebei Province. The planned total area is 263 acres, with 272 households and 879 people. It was completed on October 28, 2011.



Birthplace of Great Man, Hometown of Mao Zedong

2011 Shaoshan

Shaoshan CR Hope Town is located in Shaoshan Township, Shaoshan City, Xiangtan City, Hunan Province. It involves two natural villages, Shaoguang and Tiepi, with a total of 565 households, 2,169 people, a total area of 3.98 square kilometers, and a land area of 1,110 acres. It was completed on October 12, 2012.



A Single Spark Can Start a Prairie Fire

2012 Gutian

Gutian CR Hope Town is located in Wudi Village, Gutian Town, Shanghang County, Longyan City, Fujian Province. It consists of two natural villages, Dawudi and Xiaowudi, with a total of 262 households and 935 people. The planned area is 1635.9 acres. It was completed on June 25, 2014.



Tranquil Chishui River Embraces the Hometown

2013 Zunyi

Zunyi CR Hope Town is located in Tucheng Town, Xishui County, Zunyi City, Guizhou Province, involving two administrative villages, Shuishiba and Huangjinwan, with a total of 336 households and 1,510 people. The planned area is 1,998.9 acres and was completed on June 23, 2015.



Thousand Mile Leap into Dabie Mountain

2014 Jinzhai

Jinzhai CR Hope Town is located in Wujiadian Town, Jinzhai County, Lu'an City, Anhui Province. It involves two natural villages, Gutang Village and Songziguan Village, with a planned total area of 1,609.5 acres, 303 households, and 1,245 people. It was completed on June 24, 2016.



Glowing Future at the Cradle of the Revolution

2016 Jinggang Mountainins

Jinggang Mountainins CR Hope Town is located in Luofu area, Jinggang Mountainins City, Ji'an City, Jiangxi Province. It involves two natural villages, Tushan and Pingtou, covering a total area of 1,171.5 acres, with 162 households and 618 people. It was completed on June 26, 2017.



Nourishing the Tree of Life with the Water of Hope

2017 Haiyuan

Haiyuan CR Hope Town is located in Guanqiao Village, Guanqiao Township, Haiyuan County, Zhongwei City, Ningxia Hui Autonomous Region. It is situated in the land-poor Xihaigu area, with a planned area of 43 hectares, a total of 343 households and 1,178 people, all of whom are Hui people. It was completed on June 28, 2019.



The Free and Wonderful Peach Colony in Miao Village

2017 Jianhe

Jianhe CR Hope Town is located in Zhaizhang Village, Yangyasha Street, Jianhe County, Qiongdongnan Miao and Dong Autonomous Prefecture, Guizhou Province. The planned area is 279 acres, benefiting 143 households and 473 people. It was completed on December 11, 2021.



From Victory to Victory in Zhangjiawan, the Land of Constant Victory

2018 Hong'an

Hong'an CR Hope Town is located in Zhangjiawan Village, Qiliping Town, Hong'an County, Huanggang City, Hubei Province. It involves the 4th and 5th village groups, for a total of 155 households and 551 people. It was completed on August 20, 2020.



CR Relaunches on the Road to Rural Revitalisation

2018 Yan'an

Yan'an CR Hope Town is located in Mafang Village, Nanniwan Town, Baota District, Yan'an City, Shaanxi Province. It is 50 kilometers away from Yan'an City, with a planned area of 280 acres, benefiting 167 households and 563 people. It was completed on June 21, 2021.



Source of Yuhu Nourish the Timeless Village of Longquan, Cultivate Rice and Tea

2020 Nanjiang

Nanjiang CR Hope Town is located in Longquan Village, Changchi Town, Nanjiang County, Bazhong City, Sichuan Province. The project covers a planned area of 41.3 hectares and directly benefits 132 households and 411 people. It was completed on June 27, 2023.



Majestic Kangle Nourishing the Mountains

2022 Kangle

Kangle CR Hope Town is located in Group Three, Bazigou Village, Minglu Township, Kangle County, Linxia Hui Autonomous Prefecture, Gansu Province. It is 24 kilometers away from Kangle County and currently has 67 households and 272 residents.



Green Jinchang Cultivating Serene Living

2022 Tonghua

Tonghua CR Hope Town is located in Xinli Group Three, Shanglongtou Village, Jinchang Town, Tonghua City, Jilin Province. It has 62 households and 180 people and is 5 kilometers away from Wanfeng Ski Resort in Jinchang Town, with obvious transportation advantages.



Chasing the Wind to the All-Way North

2022 Zhangbei

Zhangbei CR Hope Town is located in Yihede Village, Mantouying Township, Zhangbei County, Zhangjiaku City, Hebei Province. The project covers an area of 526 acres, benefiting 79 households and 192 people. It is 15 kilometers away from Zhangbei County, 5.5 kilometers away from Zhongdu Airport, and only 2 kilometers away from Zhongdu Grassland, the first recommendation of Zhangbei cultural tourism.



Magnificent Hingan with Enchanting Arxan

2022 Arxan

The Arxan CR Hope Town project is located in the Sun Valley area of Bailang Town, Arxan City, Hingan League, Inner Mongolia Autonomous Region, with a planned area of about 70,000 square meters and a distance of about 41 kilometers from the urban area of Arxan. It benefits 706 households and 1,507 people in the town area, and has a superior natural environment.



The Peach Colony of Yimeng to Script New Tales

2023 Yimeng

Yimeng CR Hope Town is located in Shuilianyu Village, Duo Zhuang Town, Mengyin County, Linyi City, Shandong Province. The planned area is 1,106 acres, benefiting 180 households and 748 people. The village is the first pilot area of "zero-carbon village, green life" in Mengyin County, and is also a famous red fortress village in Yimeng.



Promoting the "Million and Ten Thousand Project" in Guangdong

2024 Lufeng

Lufeng CR Hope Town is the 18th town. The project is located in Qian'ao Village, Jieshi Town, Lufeng City, Guangdong Province, with over 573 households and 3,304 people. The village was founded in the late Ming and early Qing dynasties. It was named Qian'ao Village because the southwest is a natural bay, close to the South China Sea and the depth of the sea is shallow.



Responding to Community Demands and Supporting Home Building

We practice the social responsibility of central state-owned enterprises. Embracing the responsibility of improving the “people’s livelihood of the nation”, we actively listen to the expectations and demands of the public, with a particular focus on disadvantaged, marginalised and underrepresented groups. Through the widely promoted systematic community responsibility brand of “Beautiful CR” and “Valuable CR”, we encourage and support employees to participate in nearby activities, fostering connections with their communities, engaging in diverse volunteer services, and contributing to the development of the neighborhoods they live in.



“CR Healthy Village” public welfare project entered Nanjiang, Sichuan

Supporting Community Health Systems

For the third consecutive year, CR Pharma and China Women's Development Foundation have launched the “CR Healthy Villages” public welfare project. By the end of 2023, the project had donated a total of RMB48.15 million in funds and suppliers, assisted in the construction of 43 rural health centers, and benefited 46,000 families with donated medicines. The project has formulated curricula in eight specialist areas and trained more than 4.3 million primary care doctors. It has carried out 16 sessions of advanced empowerment training for village doctors and volunteer clinic and teaching activities, trained more than 700 village doctors in the field, and fostered a group of grass-roots people's health ‘gatekeepers’. It has established a collaborative public service platform to organize training courses on appropriate TCM technologies in collaboration with the Jiangxi University of Chinese Medicine in Yudu County.

CR Pharma Comm initiated the first “Social Responsibility Week”, mobilizing 933 volunteers to conduct various forms of “RUN-YAO Action” for the sixth consecutive year across 17 regions and 65 sites nationwide. Activities included recycling expired medicines, providing patient education, organizing charity clinics, and benefiting 6,394 people. In Sichuan, Hubei, Shanxi, Shandong, Hunan, Jilin and other regions, the “Health Walk with One Heart” brand event has been carried out to open up the “last kilometer” of medical services for the convenience of the people.

CR Double-Crane has a long-term interest in improving and supporting the diagnosis and treatment of common and rare diseases in the community. In 2023, as part of the “Crane and Bone Project”, charity clinics for osteoarthritis were conducted in Sichuan and Tibet. The medical experts and volunteers offered diagnosis and treatment consultation and professional guidance to over 600 local patients with osteoarthritis, along with the distribution of free medication. Under the “Thousand Counties Plan”, four rounds of county public service medical education activities have been conducted to standardize the concepts and ideas of chronic disease diagnosis and treatment at the county level. Moreover, through the “Rainbow Plan of Crane Caring Children's Journey” public welfare project, we facilitated the arrival of domestic epileptologists in Yunnan to host academic conferences and extend assistance to local children grappling with intractable epilepsy.



► The Group cares for the growth of children in counties under paired assistance



► Launching Ceremony for the public welfare activities of "MIXC GUARDIAN - Nurturing Hope" by CR Mixc Lifestyle

Fostering Community Education

CR Vanguard

With a focus on the weakness of rural beauty education, we have continued to conduct the "Beautiful Mobile Classroom" project. Since 2023, the Beautiful Mobile Classroom has journeyed to regions of hope such as Haiyuan in Ningxia, Urumqi in Xinjiang, Baise in Guangxi, Nanjiang in Sichuan, and Guangchang in Jiangxi Province. We established art classrooms in rural schools, conducted off-line teaching sessions, and donated aesthetic education courses and painting materials. Up to now, we have established 19 art classrooms across various rural areas, providing high-quality art education courses to over 5,000 rural children.



► Representatives of CR Power employees teaching children in the "Energy Classroom"

CR Beverage

"We continued to promote the "100 Libraries Programme", built five new public libraries in 2023, and promoted the upgrading and iteration of the concept of responsibility and the model of assistance. We are firmly embracing the digital village development strategy outlined in the "14th Five-Year Plan," to integrate the digital technology power to create a "Beautiful New Sound Digital Library" at Xinjiang Kashi Experimental School. Established under the "100 Libraries Programme," the music and aesthetic education classroom, in collaboration with the "Dove Flower Rural Music Classroom" in Wenshui Town, Leibo County, Sichuan Province, helps the children's voices of the local Ai Choir "fly out" of the mountains and reach the world. We jointly built the first sustainable environmental protection library with CR Chem-Mat.

CR Power

Our commitment to community education has been longstanding, with ongoing efforts to organize and conduct public welfare activities to support students. In 2023, we introduced a new charity brand, "Energy Classroom" for the first time, setting up seven "Energy Classrooms" in villages such as Zhangjiakou in Hebei, Hechi in Guangxi, and Yuexi in Sichuan. The project purchases hardware facilities such as smart blackboards and smart podiums for students, equips them with a variety of educational software, integrates multimedia equipment and digital technology, and enables rural students to engage in a more efficient and intuitive learning experience, enjoy better educational resources, and effectively improve the quality of teaching and education.

CR Bank

Building upon the brand public welfare activities of "Happy Schooling", in 2023, we partnered with Shaoshan CR Hope Primary School to restart the "RUN-XIN Gardener" teaching public welfare program on the occasion of the 130th anniversary of Chairman Mao's birth. Two of our employees volunteered as teachers for a month, and they were highly appreciated by the school, earning the "Excellent Teaching Teacher" certificate. Two stories highlighting their teaching volunteer experience, shared on our WeChat Official Account, garnered widespread acclaim.

CR Mixc Lifestyle

In Nanjiang CR Hope Town, we initiated the public welfare activities of "MIXC GUARDIAN - Nurturing Hope", with the responsibility brand "MIXC Guardian". It includes an education donation ceremony and the unveiling of the "Public Welfare Lecture Halls" at Nanjiang CR Hope Town. By the end of 2023, regularized education sponsorship activities had been carried out in 11 CR Hope Towns, and 20,313 pieces of charity materials had been collected, benefiting 1,247 children.

CR Boya-Bio

Under the theme "Transferring Love - Supporting Students" in the public welfare activities, we awarded caring scholarships totalling RMB754,400 to 491 children of plasma donors to assist them in pursuing university education. Additionally, a total of 3,399 students were provided social practice opportunities, enriching their social experience.

Commencing Community Volunteering Services



China Resources Youth League Committee took the lead in launching a public blood donation activity with high engagement from young employees

We continue to implement the Star Guardians Program to assist young people with intellectual disabilities in engaging in specialized sports training, including running, table tennis, Special Olympics events, and adaptive sports. We provided vocational skills empowerment and employment guidance for eligible “Star Youth,” facilitating their integration into society. In 2023, a total of 98 related activities were conducted, comprising 14 public service events and 84 training sessions.

In cooperation with the Democratic Alliance for the Betterment and Progress of Hong Kong and the New People’s Party to engage in community care activities, we distributed Ng Fung products to the elderly in the North District and Kwai Tsing communities, enhancing Ng Fung’s corporate image among the Hong Kong people. In response to calls from the Hong Kong government and the Group, we jointly established a volunteer team involving employees and the public, and engaged in educational support and social welfare initiatives.

During the recent forest fire in Chongqing, CR Yukang arranged volunteers to participate in the “Love in the Mountains” public welfare initiative, with donations of RMB100,000 for ecological restoration.

In conjunction with the National Insurance Awareness Day and 315 International Day for Protecting Consumers’ Rights, we conducted four financial-related public welfare promotions online and offline. Our Hong Kong consulting firm hosted two specialized lectures in the community.

We engaged in public welfare activities such as “Do Good for the Masses,” youth volunteer services, assistance for vulnerable communities, voluntary blood donations, and elderly care programme. Our goal is to provide tangible benefits to the community, addressing and resolving real difficulties faced by residents, so as to create a happier and better life. In 2023, the Company arranged 233 volunteers to participate in volunteer services.

We initiated the establishment of a volunteer team for employees under the theme of “Enriching Communities, Walking Together,” organizing 628 volunteer activities related to environmental protection, assistance for the elderly and disabled, community service, and educational support, totalling over 2,000 hours of service. At the award ceremony for the Tung Wah Group of Hospitals Flag Day held at the end of 2023, the CR Enterprise volunteer team received the third prize for highest participation and an award for outstanding fundraising achievements.

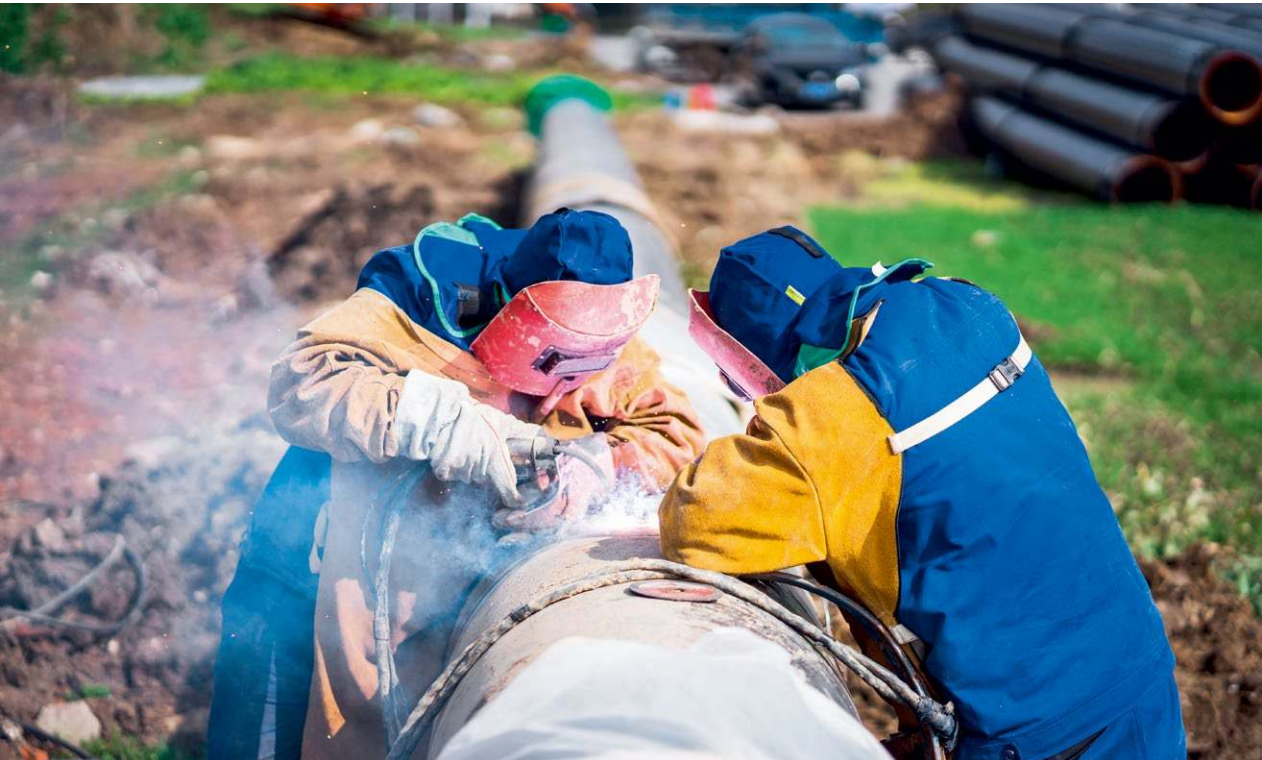
Strict Production Safety to Safeguard the Public

In 2023, we closely aligned our efforts with Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the Communist Party. We thoroughly implemented national major safety policy strategy, with an investment of RMB2,167 million in safety production throughout the year. With a strong sense of responsibility and execution, we conducted safety production management to ensure public health and safety.

Implementing Major National Security Strategy to Strengthen Safety Management

In 2023, we organized several high-level safety production meetings to study General Secretary Xi Jinping’s deliberations on safety production and to respond to the policy decisions from the Central Administration, facilitating the special investigation and rectification of major accident hazards in an efficient way. During the year, the Group formulated and implemented the “China Resources Group 2023 Action Plan for Special Investigation and Rectification of Major Accident Hazards,” focusing on key areas for targeted rectification. We

also issued the “China Resources Group Gas Safety Special Rectification Work Plan” and the “China Resources Group Special Rectification and Standardized Safety Production Implementation Plan for Coal and Non-Coal Mines,” realizing a principle of “one factory’s accident educates thousands.” In 2023, we established an immediate response mechanism to ensure that accidents are reported accurately and promptly, in line with regulatory requirements for transparent disclosure of accidents.



Since 2012, CR Gas has initiated the transformation and upgrades of gas pipelines, with a total investment of RMB6,085 million. We have upgraded over 8,500 kilometers of gas pipelines, replaced long-life flexible hoses for 30 million households, and installed automatic shut-off valves for 17.32 million households, which effectively eliminated safety hazards and enhanced the intrinsic safety standard.

Establishing a Safety Production Management System

In 2023, we required enterprises at all levels to revise and improve safety production regulations, so as to strengthen the implementation of safety responsibilities, fostering a working environment where “all levels are held accountable, everyone is accountable, and each takes responsibility.” Utilizing “responsibility checklists” and “task lists” as key tools, we established an annual safety work task list to ensure clear accountability and responsibility fulfillment, effectively implementing the “three managements and three musts.” By promoting a “segmented and accountable” mechanism, we enhanced overall safety production responsibilities. We organized 20 business units and 261 operational entities to pilot a quantitative indicator evaluation management system, ensuring that it is fully integrated into safety management, thus improving safety management standards.

Promoting Innovation in Production Safety Technology

In 2023, we made significant investments in digitalization and informatization of safety production by implementing several automations, mechanization upgrades, and safety management innovation projects. These initiatives aimed to enhance a company's internal safety management, prevent and decrease the occurrence of safety incidents.

The construction of an automated intelligent storage system will enable the automation of processes such as drug shelving and picking, thereby reducing safety risks associated with operational procedures.

We implemented the “Digital Platform Construction Project for the Dual Prevention Mechanism of Safety Production” to accumulate data on hazard sources and hidden dangers. This project explored the use of AI and big data analytics to enhance a company's ability to anticipate and warn against safety risks in an effective manner.

Conducting Safety Supervision and Inspection and Deal with Hidden Dangers

In 2023, in alignment with the National Actions for Major Accident Hazard and Hidden Danger Investigation and Rectification 2023, Safety Management Enhancement Action, and Gas Safety Rectification, we conducted thorough inspections and rectification of hidden dangers such as significant hazard sources, potential risks, and areas prone to accidents. Relevant units within the Group organized a total of 145,224 inspections, including 17,787 led by the primary responsible executives, 14,880 by safety department heads, and 32,419 by safety regulatory departments, to ensure that risks are effectively controlled. During the year, we also placed special emphasis on enhancing safety management for our enterprises in Hong Kong, developing a dedicated safety production governance plan for companies operating in Hong Kong.

Deepening Production Safety Education and Cultural Construction

We deepened the construction of safety production education and cultural. In conjunction with activities such as Production Safety Month, Fire Safety Month, and Traffic Safety Week, we carried out joint party building, emergency drills, and accident case education, encouraging employees to internalize the safety culture. We organized Workplace Risk: I See, I Know, I Control, an online quizzing competition, which saw participation from over 140,000 employees across the Group. By the end of 2023, the Group's business units at all levels conducted 45,338 emergency drills in aggregate, with total participant engagement reaching 1,305,122.



✦ In the essay competition themed “Safety Management of State-Owned Enterprises” jointly organized by the People's Daily magazine New Safety and SASAC, General Manager Wang Cuijun published an article titled “Upholding Life as Paramount, Promoting High-Quality Development Through High-Level Safety”, which received the special award

Commitment and Performance

Commitment Made in 2023



Implement the implementation plan of General Secretary Xi Jinping's speech on 1 July in Hong Kong and focus on promoting the reshaping of our business in Hong Kong; increase investment in Hong Kong, strengthen our advantageous businesses by utilizing the capital market, and accelerate the construction of our Hong Kong business platforms and R&D platforms, so as to integrate into the development of the Greater Bay Area.

Increase efforts in training talents for the governance of Hong Kong and introducing high caliber talents, and strengthen communication with various sectors and engagement with the community. Implement various plans and attain a number of milestone achievements, develop landmark and model projects.

Effectively manage the Group's external donation, coordinate the Group's public welfare strength, respond to the national call for disaster relief, rural revitalization, ecological and environmental protection, and community development, and take the initiative to utilize CRH's advantages in diversification to facilitate the harmonious development of the economy and society.

Build a number of rural revitalization demonstration models in Guangchang, Haiyuan and Qingliu counties, and help them carry out actions to enhance vocational skills; complete CR Hope Town in Nanjiang, Sichuan Province, and build the Hope Towns in Tonghua, Zhangbei, Kangle, Arshan and Yimeng in an orderly manner.

Commitment Performed in 2023



Utilizing the coordinating role of the Hong Kong Working Committee, we made significant strides in the sectors of consumer goods, integrated energy, urban development and operations, healthcare, industrial finance, technology, and emerging industries. Our business in Hong Kong has achieved its "doubling" phase targets in advance. We established the China Resources Research Institute of Science and Technology in Hong Kong to advance collaboration among industry, academia, and research, so as to create a platform for the transformation of advanced research outcomes in Hong Kong and overseas.

In support of the Hong Kong younger generation in education, employment, entrepreneurship and home ownership, we donated HK\$32,409,900 to carry out various charitable activities, including “Beyond Dreams” I&T Talent Nurturing Programme, education on traditional Chinese culture for Hong Kong primary and secondary school students, Strive and Rise Programme, and assistance for vulnerable communities in Hong Kong. We launched several projects focused on enhancing residents' quality of life, such as "Run Elderly Care," "Runai Recreation," "Runai Warmth," and "Runai Reading". With a sophisticated volunteer system, China Resources Group received the 2023 Gold Award for Outstanding Volunteer Team from the Hong Kong China Enterprise Association, along with 120 individual excellence awards.

In 2023, the Group embraced its mission as a communist state-owned enterprise, contributing to economic and social development with donations exceeding RMB465 million. We strived to fulfill our responsibilities in areas such as earthquake relief, assistance for vulnerable groups, rural revitalization, educational and medical support, and green development. This commitment further solidified our sustainable and impactful responsibility system, enabling us to deliver extensive and positive influence across various sectors.

In support of the three counties, we continued to promote industrial development, with a total investment of RMB749,427,200 throughout the year for industrial investment and cooperation. We successfully hosted the third training session for officials from the paired assistance and support counties. We actively engaged in consumption assistance through procurement and sales support. By refining the "China Resources Hope Village" concept, we have completed the construction of five Hope Villages.

In terms of town construction and management, we upgraded the construction model and renewed the scale of development projects. The Kangle and Zhangbei projects have successively broken ground, while the high-standard construction of Nanjiang Hope Town has been completed, serving as a model for rural development. Established towns are currently implementing "one-on-one" paired assistance with rotating town mayors and red caretakers to achieve new results and highlights in operational management.

Commitment Made in 2024

We will strengthen scientific planning to identify development directions and integrate our business in an efficient way, while exploring new growth opportunities. Our focus is on enhancing the proportion, quality, and impact of the Group's operations in Hong Kong to better serve the national strategy and the development of Hong Kong, thereby fulfilling the Group's unique mission.

We will continue to focus on the education, employment, entrepreneurship and home ownership for Hong Kong younger generation by leveraging CRH's business resources and strengths in Hong Kong. Through enhancing internal and external communication and participation, we aim to promote various charitable projects with clear directions, foster collaboration, and ensure efficient implementation and closed-loop management. This approach will better demonstrate CRH's commitment to public responsibility in Hong Kong.

CRH will leverage its diversified industrial advantages to coordinate the Group's charitable resources in an efficient manner, standardizing the management of donations. By putting our efforts across various responsibility areas, we aim to create more demonstration projects that align with the "Beautiful CR" and "Valuable CR", thereby contributing to economic and social development.

In support of the three counties, we are firmly advancing our initiatives across the five dimensions of rural revitalization. We are systematically promoting the "China Resources Hope Village" project and selecting locations for the construction of new Hope Villages.

In terms of town construction and management, we will initiate the Yimeng and Arshan projects, while the Lufeng Town project has completed its site selection and preparation. Established Hope Towns are now upgrading its concepts and visions, facilitating the establishment of new assistance for industries. We have built the "Town Gifts" brand to assist farmers with marketing, and launched the "On the Field of Great Prospects" volunteer programme to create an atmosphere of good governance in rural areas, and to share the stories of our towns in a vivid way.



146	Responsibility Concept
147	Responsibility Strategy
148	Responsibility Model
149	Establishing Organizations with ESG Responsibility
152	Developing Responsibility Capacity
153	Building a Responsibility Brand
155	Responsibility Assessment
156	Identifying Responsibility Issues and Responding to the Demands of Stakeholders



CRH is a diversified industrial group with a strong focus on improving people's livelihoods. As a central state-owned enterprise in Hong Kong with a unique mission, it stands as one of the first state-owned capital investment companies established during the state-owned enterprise reform process and strives to become a world-class exemplary enterprise. Fulfilling social responsibility and ESG is not only our proactive strategic choice but also an intrinsic requirement for our pursuit of sustainable development. It is our duty to embark on the path of high-quality development of modernization with Chinese characteristics as a people's livelihood-oriented enterprise. In recent years, through our longstanding practice in the realm of social responsibility, CRH has been exploring the high-quality management and practice of social responsibility and ESG.

Responsibility Concept

Guided by its corporate missions, CRH has consistently identified six key areas for fulfilling social responsibilities, taking into account the expectations and demands of stakeholders closely associated with business development. Building upon this foundation, CRH has developed a comprehensive social responsibility concept.

Fulfilling economic responsibility	To maximize corporate value for shareholders, and to create a valuable CRH
Fulfilling employee responsibility	To build an excellent growth platform for employees, and to create a people-oriented CRH
Fulfilling customer responsibility	To provide customers with quality products and services, and to create a satisfactory CRH
Fulfilling environmental responsibility	To explore the path of sustainable development, and to create a green CRH
Fulfilling partner responsibility	To create mutually beneficial environment for partners, and to create a win-win situation for CRH
Fulfilling public responsibility	To share the rewards of corporate development with the public, and to create a harmonious CRH

Responsibility Strategy

Formulating the Group's "14th Five-Year" Strategic Plan for Social Responsibility and Conducting the Mid-Term Review of the Strategy

In 2022, the Group formulated and unveiled the 14th Five-Year Plan for Social Responsibility of China Resources Group, which serves as an action program to guide the Group's top-down social responsibility work. The Plan specifies "one strategic objective", "one model upgrade" and "four key tasks upgrade" for the Group to fulfill its social responsibility during the 14th Five-Year Plan period, as well as "the responsibility fulfillment objectives of the Group in its six business areas" under the framework of the new ESG regulations, with an aim to promote the further standardized, institutionalized, systematized and normalized development of the Group's work on social responsibility.

Key highlights include the iterative upgrading of the work that has been achieved during the 13th Five-Year Plan period and still needs to be carried out during the 14th Five-Year Plan period, such as upgrading and forming the 2.0 version of the Group's "mission-led" social responsibility management model, further strengthening the CSR/ESG information disclosure, and, in particular, in terms of the formulation of indicator standards, researching and formulating the 1+N social responsibility indicator system with characteristics of CRH, in order to maintain its leading position in the field of responsibility management. We made breakthroughs and innovations in work that had not yet been carried out during the 13th Five-Year Plan period, but were in line with the general trend and conducive to the improvement of the Group's management, such as creating the "Group's Social Responsibility Brand Tree" and developing a guidance for the brand building of the Group's social responsibility to further empower the "China Resources" brand; building a social responsibility demonstration

base to further lead the Group to standardize the development of its social responsibility practice projects; and building a digital social responsibility platform of the Group to realize the systematic statistics and intelligent display of social responsibility data.

In June 2023, in line with the "14th Five-Year Plan for Social Responsibility of China Resources Group", we conducted a comprehensive review of the implementation of the plan and concluded that reflective feedback was insufficient. Therefore, we clarified the key tasks for the next stage, and developed the Mid-Term Strategic Review of the 14th Five-Year Plan for Social Responsibility Work of China Resources Group. We also reported to the Social Responsibility Bureau of SASAC, the supervisors of the Group and the supervisors in charge of social responsibility of various business units at the 2023 Social Responsibility Work Conference, which was subsequently publicized in the research on social responsibility work of the business units.



Focus of the "14th Five-Year Plan" on Social Responsibility

Strategic Objective	By the end of the "14th Five-Year Plan" period, the social responsibility management system of China Resources Group has been gradually refined, the fundamentals of the "Responsibility +" work pattern have been developed, and its leading position in the social responsibility work of central enterprises has been further consolidated.	
Work Tasks	A Business Card	Fulfillment of social responsibility has become the business card of China Resources Group
	Three Models	• Hope Town has become a model for self-developed responsibility fulfillment projects • Targeted assistance and paired assistance have become a model for central enterprises to consolidate and expand the achievements of poverty eradication and rural revitalization • Hong Kong Philanthropy has become a model for Chinese enterprises in Hong Kong to carry out philanthropic work
	Three Levels of Responsibility	Six business areas focus on implementation of responsibilities that must be fulfilled by CRH, fulfillment of responsibilities that should be fulfilled by CRH and fulfillment of responsibilities that CRH is willing to fulfill

Responsibility Model

On the basis of “Mission-led Social Responsibility Management Model 1.0”, the Group has upgraded the key areas, key tasks and implementation paths, and formed the “Mission-led Social Responsibility Management Model 2.0” model with the framework of “responsibility culture, responsibility management and responsibility practice”.

Inner Circle

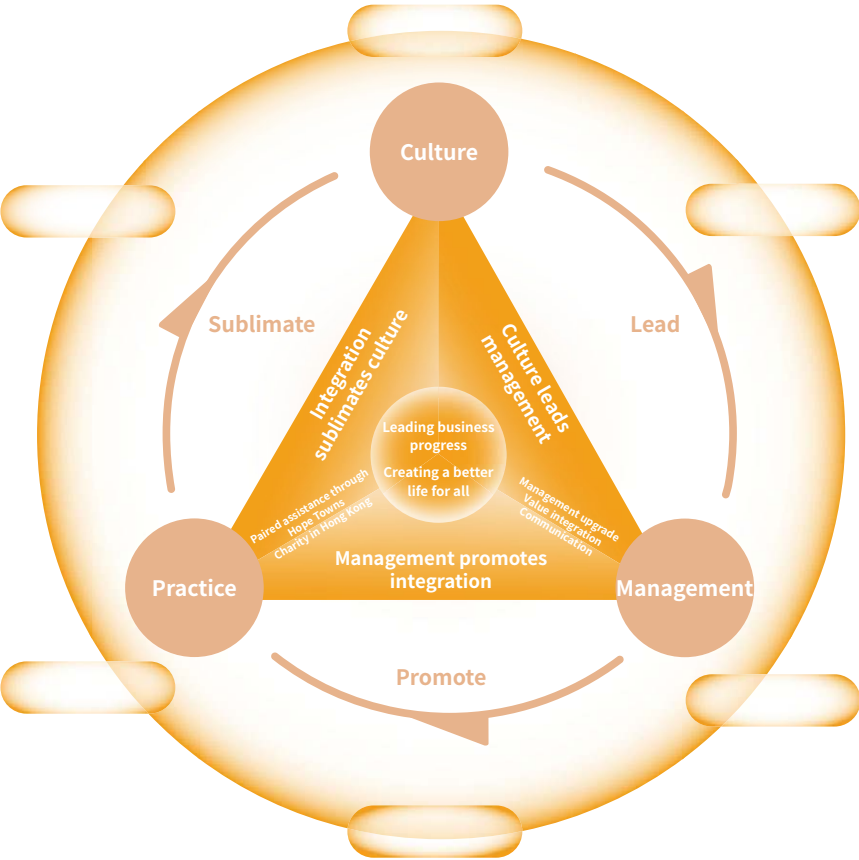
We led the direction of social responsibility work with the corporate mission of “Leading the business progress and building a better life together” at the core.

Middle Circle

We established the framework of “responsibility culture, responsibility management and responsibility practice” whose implementation was driven by “culture leads management, management promotes integration and integration sublimates culture”, proposed 4 key tasks, namely responsible management, Hope Towns, paired assistance and charity undertakings in Hong Kong, and clearly defined the key areas of social responsibility and management mechanism.

External Circle

We clarified our objectives for social responsibility management by following the path of “co-developing with shareholders, co-growing with employees, satisfying customers, co-existing with the environment, creating a win-win situation with partners and sharing with the community”.



► Mission-led Social Responsibility Management Model 2.0 of China Resources Group

Establishing Organizations with Responsibility

Consolidating and Improving the Leading Organization and Working Mechanism for Social Responsibility, and Promoting "Responsibility +" at the Organizational Level

The Group supervised and guided each business unit in compiling sustainability reports/ESG reports, organized and conducted the group's social responsibility award selection, collaborated with business units to participate in social responsibility theory research and industry exchanges, further strengthened its social responsibility management organizational structure and up-and-down linkage work system, i.e. the social responsibility and ESG management organizational structure and up-and-down linkage work system “with its Group Office as the governor, the Social Responsibility and ESG Department of the Office as the daily coordinator, all other departments of the Group relating to the social responsibility/ESG as an implementer in professional fields, and function matching between all business units of the

Group and all other department of the Group headquarters”, by supervising and guiding business units to prepare sustainability reports/ESG reports, organizing the selection of the Group's social responsibility awards, and participating in social responsibility theoretical research and industry exchanges with business units, and created a social responsibility team for the Group, which urged each department to clarify its own key responsibility issues and each business unit to clarify its own responsibility objectives.

In this way, we advanced the Group's overall social responsibility work by following the logic of penetrating “the Group + business units + business units' subsidiaries” step by step.

Governor	General Office of CRH		
Daily coordinator	Social Responsibility Department of the Office		
Implementer	Strategy 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

► Social Responsibility Management Organizational Structure of the Group

Driving the High-Quality Development of Social Responsibility Work by Senior Management



On 3 June 2024, the Group supported and participated in the launch of the ESG China Sustainability Reporting Guidelines, with Wang Xiangming, the Chairman, delivering an opening speech entitled "Accelerating the Construction of World-Class Enterprises through ESG".

CRH, as a diversified industrial group focused on people's livelihoods, a central state-owned enterprise with a special mission in Hong Kong, and one of the first state-owned capital investment companies established during the reform process, views effective ESG management as both our proactive strategic choice and our duty in pursuing sustainable development and high-quality growth. Looking forward to the future, CRH will always stay true to our founding mission and principles with new development philosophy to drive central state-owned enterprises to uphold the highest standards of social responsibility in the new era, creating greater social values and contributing the wisdom and strength of CRH!

- Wang Xiangming

The Group's leaders have always attached great importance to social responsibility management and implementation. As one of the leading Chinese state-owned enterprises, we have actively participated in communication and dissemination activities organized by the SASAC, China Central Television (CCTV) and authoritative research institutions such as the Chinese Academy of Social Sciences (CASS), which leveraged our position as a key opinion leader in an effective manner. In recent years, under the leadership of the Chairman Wang Xiangming, our business units have supported and participated in significant events such as the release of the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 6.0), and China ESG Exemplar, the inaugural annual gala hosted by CCTV. These engagements have allowed us to effectively communicate CRH's perspectives and values in respect of social responsibility, showcasing its exemplary practices in fulfilling the social responsibilities.

On the other hand, members of the board of directors of the Group and senior management team have made numerous on-site visits to provide paired assistance to counties and conducted field investigations and research of Hope Town. They have actively participated in training programs for the cadres of these paired counties, providing extensive guidance for the Group's rural revitalization.



On 2 December 2023, the Group participated in China ESG Exemplar, the inaugural annual ceremony organized by China Media Group, and was selected as one of the top ten China ESG Exemplar companies. Wang Xiangming, the Chairman of the Group attended the award ceremony and delivered a speech

The members of the leadership team of China Resources Group have made several field trips to counties under targeted and paired assistance and Hope Towns for many times

Date	Location	Event	Project	Leaders
3 April 2023	Haiyuan, Ningxia	The 10th anniversary of CRH's paired assistance for Haiyuan County	CR Hope Town in Haiyuan	Lan Yi, Deputy General Manager
28 April 2023	Kangle, Gansu	Groundbreaking Ceremony of CR Hope Town in Kangle	CR Hope Town in Kangle (under construction)	Lan Yi, Deputy General Manager
2 June 2023	Zhangbei, Hebei	Groundbreaking Ceremony of CR Hope Town in Zhangbei	CR Hope Town in Zhangbei (under construction)	Lan Yi, Deputy General Manager
9-10 June 2023	Yan'an, Shaanxi	Theme Activities on Party Day	CR Hope Town in Yan'an	Chen Xiaojun, Deputy General Manager
15-17 June 2023	Nanjiang, Sichuan	China Resources Group Social Responsibility Work Conference 2023 China Resources Hope Town in Nanjiang Charity Half Marathon 2023	CR Hope Town in Nanjiang	Lan Yi, Deputy General Manager
25-27 June 2023	Nanjiang, Sichuan	China Resources Theme Activities on Party Day, 1st July 2023 and Completion Ceremony of CR Hope Town in Nanjiang	CR Hope Town in Nanjiang	Chairman Wang Xiangming, Director Pan Fu, Chief Accountant Quan Huaqiang, Deputy General Manager Lan Yi
26 July 2023	Guangchang, Jiangxi	Work Research Seminar on China Resources Group's paired assistance for Guangchang County	China Resources Hope Village - Lianxin Yaoxi, various industrial assistance projects	Wang Cuijun, General Manager
27 July 2023	Shaoshan, Hunan	Theme Activities on Party Day	CR Hope Town in Shaoshan	Pan Fu, Director
23 September 2023	Hong'an, Hubei	Integrity Education and Professional Training Workshop on China Resources Hope Town Project	CR Hope Town in Hong'an	Lan Yi, Deputy General Manager
28-29 August 2023	Haiyuan, Ningxia	Research visit to Caowa Village, Caowa Township, Haiyuan County	China Resources Hope Village – Beautiful Caowa, various industrial assistance projects	Chairman Wang Xiangming, General Manager Wang Cuijun
28-29 February 2024	Nanjiang, Sichuan	"New Year, New Journey" Rural Revitalization Exchange and "Explore Intangible Cultural Heritage in Courtesy Town" New Year Reunion Event	CR Hope Town in Nanjiang	Lan Yi, Deputy General Manager
16 March 2024	Jinggangshan Mountain, Jiangxi	Special research activities	CR Hope Town in Jinggangshan Mountain	Chen Xiaojun, Deputy General Manager
15-16 April 2024	Yan'an, Shaanxi	Graduation Ceremony of the second phase of CR "Young Marxist Project" class and the Opening Ceremony of the third phase of the "Young Marxist Project"	CR Hope Town in Yan'an	Bai Yong, Director
29 April 2024	Mengyin, Shandong	Groundbreaking Ceremony of CR Hope Town in Yimeng Project	CR Hope Town in Yimeng (under construction)	Bai Yong, Director
12 June 2024	Arxan, Inner Mongolia	Groundbreaking Ceremony of CR Hope Town in Arxan Project	CR Hope Town in Arxan (under construction)	Quan Huaqiang, Chief Accountant
19-20 June 2024	Qingliu, Fujian	China Resources Theme Activities on Party Day, 1st July 2024	China Resources Hope Village - Shixia	Chairman Wang Xiangming, General Manager Wang Cuijun, Director Pan Fu, Deputy General Manager Wang Chuandong, Chief Accountant Quan Huaqiang, Deputy General Manager Han Yuewei

The above statistics are arranged in chronological order, covering three counties that CRH has paired for assistance and support, as well as key rural revitalization responsibility areas such as CRH's Hope Town that have been built or are under construction.

Developing Responsibility Capacity

Regularly Organizing the Social Responsibility Work Conference and Training

The Group placed a strong emphasis on the latest trends in social responsibility and ESG, so as to establish a platform for communication and empowerment. We conducted training and capacity-building initiatives related to the Group's social responsibility functions on a regular basis. On 4 June 2024, shortly after the SASAC issued the Guiding Opinions on Central Enterprises High Standards in Fulfilling Social Responsibility, and the second day immediately following the Group's contribution to the development and release of the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 6.0) - General Framework, the Group held the 2024 Annual ESG Training Conference in Beijing. This event featured esteemed speakers,

including Zhang Xiaosong, Director of the Social Responsibility Department of the Social Responsibility Bureau of SASAC, Zhang Zhengwei, Special Advisor to the Chair of the International Sustainability Standards Board and Director of the IFRS Foundation Beijing Office, and Zhong Hongwu, Professor at the Chinese Academy of Social Sciences (CASS) and Director of the CSR Cloud Research Institute, who provided insights and systematic interpretations of the latest industry standards and requirements. Over 80 representatives from the Group's various business units, social responsibility and ESG work leaders from listed subsidiaries, and business backbone attended the meeting.

Taking the Initiative and Actively Participating in Theoretical Research on Social Responsibilities

China Resources Group further enhanced its focus on ESG initiatives. As a leading Chinese state-owned enterprise, we have actively participated in the development of the “ESG Work Report for Chinese Enterprises” issued by the SASAC and contributed to the research on the “Top 10 ESG Research Topics in China” conducted by authoritative institutions. We pursued standardization studies in the field of social responsibility by developing a distinct “1+N” social responsibility indicator system tailored to CRH, which benchmarks against authoritative indicators in the sustainability sector domestically and internationally, integrates the diverse characteristics of responsibility practices of CRH, combines CSR and

ESG indicators in the form of general indicators + industry-specific indicators to form a set of CRH-featured responsibility indicator system. We have also developed an innovative management tool, i.e. the Group's Digital Social Responsibility Platform. This platform standardizes the accumulation of basic data on social responsibility and ESG management practices, presenting this information in an intelligent and accessible manner. To meet the training needs of employees at senior, middle, and grassroots levels as well as external communication requirements, we are continuously developing training materials on social responsibility management and implementation.

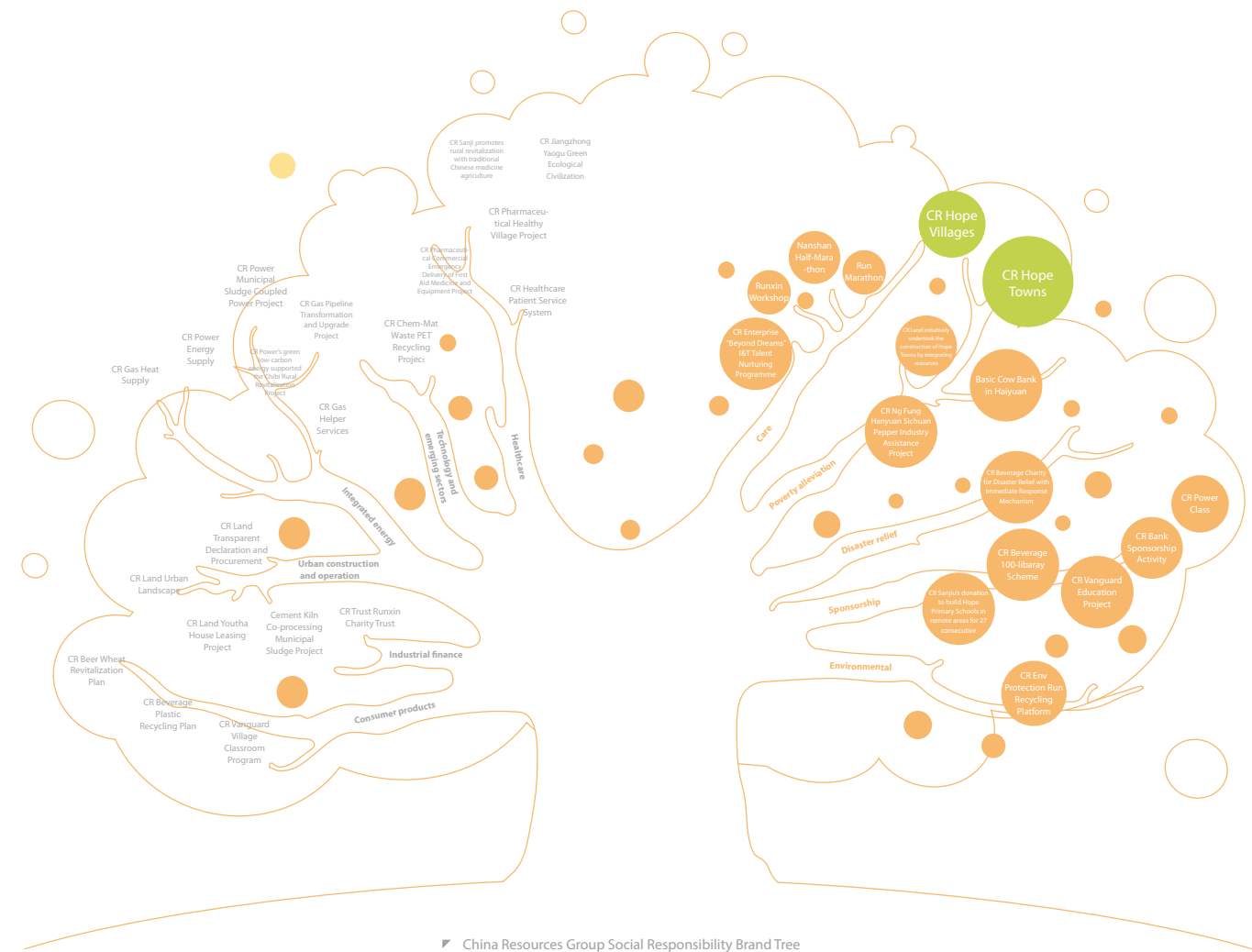


Building a Responsible Brand

Continuous Improvement of China Resources Group Social Responsibility Brand Tree

Building on a comprehensive review and assessment of CRH's principal activities such as outstanding projects for fulfillment of social responsibility and social public welfare, we have integrated these efforts into a China Resources Group Social Responsibility Brand Tree, which aims to further promote responsibility fulfillment practices among different units of the Group, taking into account their industry characteristics and available resources, to undertake responsible practices that align with their respective operations. This effort ensures that all projects fulfill their responsibilities and contribute to building a responsible brand. Business units undertake or participate in responsibility fulfillment projects according to their own actual situation, striving to advance these projects, form brand synergy and empower the value of the "China Resources" brand.

China Resources Group Social Responsibility Brand Tree consists of “Valuable CR” and “Beautiful CR”. “Valuable CR” represents the focus on CRH’s outstanding practice projects in the field of fulfilling its responsibilities in its principal business, which is, combining the industry characteristics and available resources of the Group’s six major business segments, actively integrating the concept and requirements of social responsibility into operation and management, and planning and implementing practical projects; “Beautiful CR” represents the focus on CRH’s outstanding social welfare practice projects, which are the practical projects that focus on solving problems such as disaster relief, property alleviation, education subsidy, and environmental protection.



Continuous Upgrade of Responsible Communication

We are expanding our platform specialized for social responsibility, proactively engaging with supervisory authorities, relevant domestic and international organizations, and media to jointly carry out social responsibility initiatives. This approach strengthens the Group's discourse and influence on social responsibility.

The release of our first promotional video on social responsibility, entitled "Assume Responsibility and Dream for Good," further articulates CRH commitment to social responsibility and showcases our impactful contributions.

The Group deepened its responsibility brand building in the field of rural revitalization and launched brands such as "China Resources Hope Village" and "Courtesy Town".



At China Resources' July 1st event in 2024, Wang Xiangming, the Chairman, and Wang Cuijun, the General Manager, unveiled the "China Resources Hope Village".



In 2023, the Group released "Assume Responsibility and Dream for Good", the first social responsibility video.

Responsibility Assessment

The Group evaluates the social responsibility work of its business units primarily through two aspects: the preparation of responsibility reports and the implementation of social responsibility practices.

We conducted ongoing assessment of the CSR reports submitted by business units. Following the "six" criteria established by the China CSR Report Rating Expert Committee (materiality, completeness, balance, comparability, readability, and innovation), we systematically summarized and evaluated the preparation of CSR reports from each business unit to help identify any issues, offer suggestions, and encourage units to rectify shortcomings while harnessing the report's potential to promote effective management practices.

We continued to conduct the selection process for the Group's Social Responsibility Award. Through the selection of this award, we evaluated the CSR projects of each unit on four key aspects: strategy, effectiveness, innovation and scalability. The winning projects and their teams will be recognized at the Group's honorary ceremony, while their respective units will be given additional points in their annual performance contracts. Since the establishment of this award in 2017, we have received a total of 202 cases of CSR practices from various departments and subsidiaries within the Group, creating positive incentives for business units and effectively encouraging them to carry out CSR practices that align with their own business characteristics.

Group Social Responsibility Awards 2023

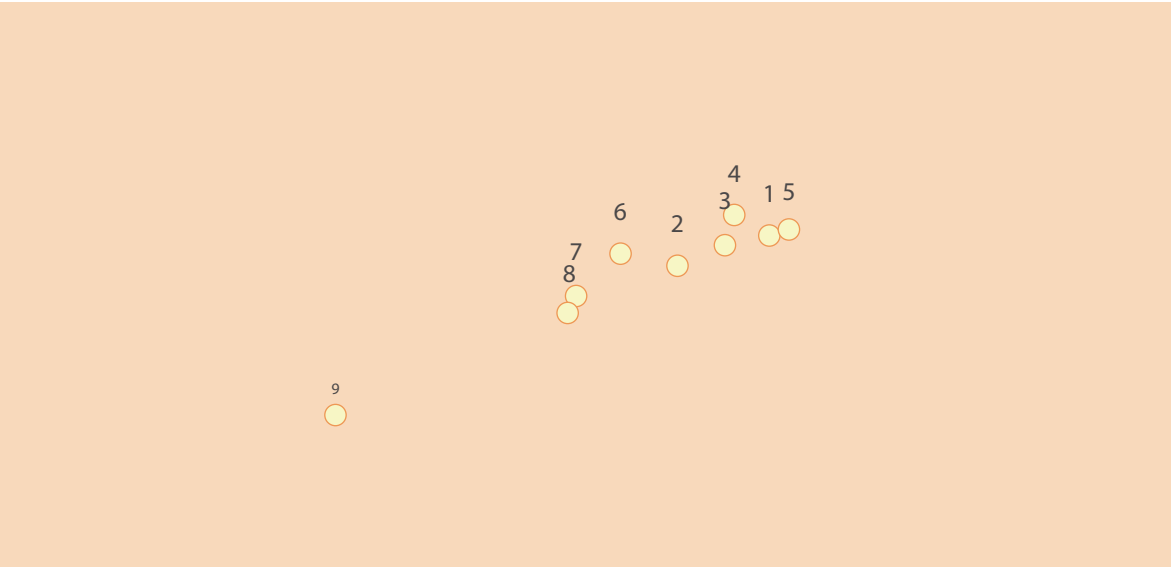
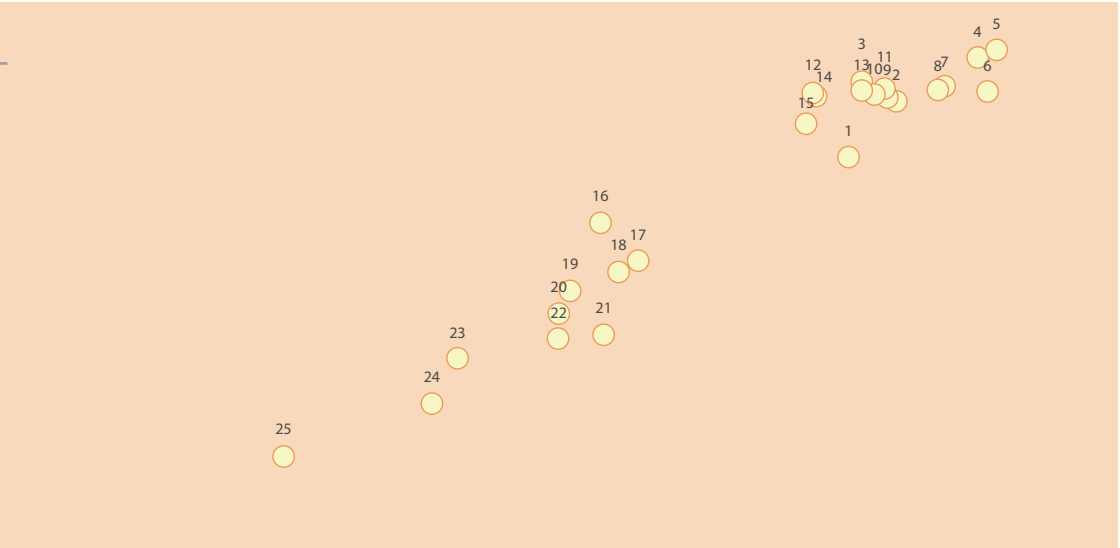
Award	Winner	Winning Project
Golden	CR Land	Practicing "renting and purchasing at the same time" to build a multi-level rental housing supply system
	CR Power	Green and low-carbon energy assisted rural revitalization in Chibi
Silver	CR Gas	Promoting the transformation and upgrade of gas pipelines and leading the high-quality development of the gas industry
	CR Ng Fung	Innovative practices in the Sichuan pepper industry support program
Bronze	CR Pharma-Comm	Emergency delivery of first aid medicines and equipment to open up a green channel for life
	CR Learning and Innovation Center	Exploring the model of "talent revitalization" and empowering "rural revitalization" - China Resources Group's paired assistance support county cadre training projects

Identifying Responsibility Issues and Responding to the Demands of Stakeholders

Identifying Material CSR Issues

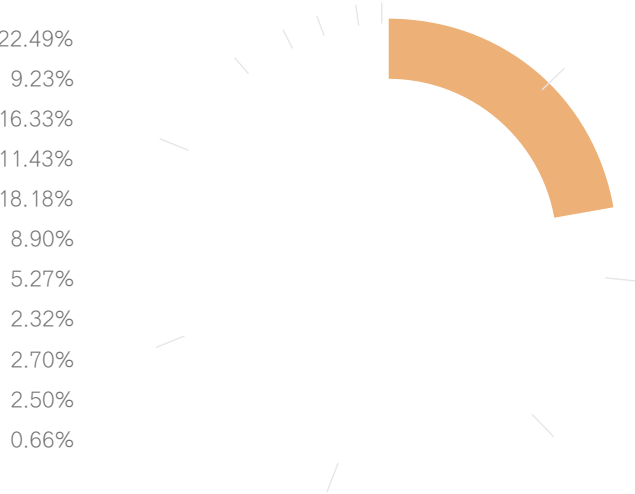
The Group has continuously conducted the identification of material issues for the Sustainability Report 2023, and further focus on significant material responsibility issues through questionnaire surveys and presented them in the sustainability report as a response to the demands of stakeholders.

The respondents of the questionnaire included the management, employees, customers and business partners of the Group's headquarters and subsidiaries, community residents, government officials, media practitioners, CSR practitioners, NGO practitioners, and similar enterprises. A total of 10,393 valid questionnaires were collected.



- 6 Participating in the "dual carbon" initiative
- 7 Supporting rural revitalization
- 8 Talent team building
- 9 Protecting biodiversity

1



Appendix

Reference

The Directive Suggestions on the Fulfillment of Social Responsibilities by Central Enterprises issued by the State-owned Assets Supervision and Administration Commission of the State Council; the China Guidelines for Corporate Social Responsibility Reports (CASS-CSR4.0/CASS-ESG5.0) and the General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences; the Sustainable Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI); Sustainable Development Goals (SDGs) by the United Nation; Appendix 27 "Environmental, Social and Governance Reporting Guide" of the "Main Board Listing Rules" of the Hong Kong Stock Exchange Limited; the Regulations on the Management of Social Responsibilities of China Resources (Holdings) Co., Ltd and the "1+ N" Social Responsibility Index System Management Handbook.

Special Notes

In the Report, China Resources (Holdings) Co., Ltd. is referred to as "China Resources Group", "CRH", "the Group", or "we/us".

Access to the Report

The Report is available both in print and digital formats. If you need a printed edition, please send an e-mail to crc02gw@crc.com.hk; or call us at 00852-28797888 (Hong Kong)/0755-82668888 (Shenzhen). It is also available for free download from our website (<http://www.crc.com.hk/responsibility/report/>) (To minimize paper consumption, please consider selecting the e-version. Thank you!).

Key Performance Indicators (KPI) for 2021-2023

ESG Key Indicators Index

	Contents	CASS-ESG5.0	Page
About CRH	Message from the Chairman	P2.1-2.2	4
	CRH Profile	P4.1-4.4	7
	A Glimpse at CRH Brands	P4.3	10
	2023 Highlights	P2.2, P3.1, G3.1.1, A2	12
Economic Responsibility	Story of Responsibility	P3.1, V1.1-1.4, V2.2-2.4	16
	Concept and Vision	G3.2, G3.5	18
	Results	V2.3, A2	18
	Implementing the "1246" Model and Integrating "Dual Core and One Force"	P4.2, V1.1-1.4	19
	Improving Corporate Governance and Improving Management Efficiency	G1.1-1.2	21
	Serving the National Strategy and Keeping in Mind of the Greatness of the Country	V1.1-1.4, V3.5, V4.1-4.2, V4.4-4.5	23
	Seeking Progress while Maintaining Stability and Empowering High-Quality Development	V2.2, V2.4-2.6	25
	Strengthening Anti-Corruption Supervision and Strictly Adhering to the Bottom Line of High-Quality Development	G1.7-1.9	28
	Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Small and Medium-sized Investors	G1.10	29
	Improving the Risk Management Mechanism and Significantly Enhancing Risk Prevention and Resolution Capabilities	G1.3	30
	Commitment and Performance	G2.4, G3.2	31
Employee Responsibility	Story of Responsibility	P3.1, S2.1	34
	Concept and Vision	G3.2, G3.5	36
	Results	S1.3-1.5, S1.8-1.10, V3.2	36
	More Multi-Dimensional Protection for Employees' Rights and Interests	S1.1-1.2, S1.7, V3.1	37
	More Attitudinal Employee Growth System	S2.1-2.2, S2.4	42
	A Warmer Employee Care Mechanism	S1.10, S3.1	44
	More In-Depth Grassroots Democratic Management	S1.6	46
	More Robust Occupational Health Management	S3.1	47
	Commitment and Performance	G2.4, G3.2	49

Customer Responsibility

Environmental Responsibility

	Contents	CASS-ESG5.0	Page
Customer Responsibility	Story of Responsibility	P3.1, S3.6, V2.2, S4.1	52
	Concept and Vision	G3.2, G3.5	54
	Results	V2.3-2.4, V2.7, S4.2, S4.7-4.8	54
	Focusing on "People's Livelihood" and "the Pillar of a Great Power" to Provide the Public with High-Quality Products and Services	S4.1, S4.3, V2.2, V2.4, V2.6	55
	Creating a Higher Standard Quality Control System and Enhancing Core Competitiveness	S4.1	62
	Promoting Sustainable Consumption and Adhering to Sustainable Development	E1.7, E2.6	65
	Protecting Consumer Rights and Interests and Building a Strong Consumer "Firewall"	S4.3, S4.5-4.6	67
	Optimizing Top-Level Design and Continuously Improving Customer Satisfaction	S4.1, S4.5, S4.7	70
	Driven by Innovation, Leading New Development Momentum	V2.1-V2.4	73
	Commitment and Performance	G2.4, G3.2	75
Environmental Responsibility	Story of Responsibility	P3.1, V4.3-4.5	78
	Concept and Vision	G3.2, G3.5	80
	Results	E1.3, E2.3, E3.4, E5.7, G3.1.1	80
	Improving the Ecological and Environmental Protection and Management System	E1.1, E1.4-1.5, E1.7	82
	Accelerating the Promotion of Green and High-Quality Development	E2.1-E2.5	85
	Carrying out In-Depth Battle against Pollution	E3.1-3.10	87
	Promoting Green Transformation of Industries	E1.1, E1.8	89
	Protecting Biodiversity	E4.1-4.3	90
	Strong Support for the Development of Environmental Protection Industries	E1.1, E1.8	91
	Promoting Green and Low-Carbon Production and Lifestyle	E1.7	91
	Green Management	E5.1, V4.2-4.5	93
	Green Operation	V4.2-V4.5	95
	Commitment and Performance	G2.4, G3.2	101

	Contents	CASS-ESG5.0	Page
Partner Responsibility	Story of Responsibility	P3.1, V1.1-1.4, V2.2, V2.4, V2.6, V2.8	104
	Concept and Vision	G3.2, G3.5	106
	Results	V2.5, V2.8	106
	Strengthening Strategic Cooperation	V1.1-1.4, V2.5-2.8	107
	Deepening Fair Trade	G1.3, G1.5, G1.7, S5.4, V2.4	110
	Refining the Supply System	S5.1-5.3, S5.6	112
	Optimizing Media Relations	G1.10, G3.7, G3.11, V3.4-3.5	115
	Commitment and Performance	G2.4, G3.2	117
Public Responsibility	Story of Responsibility	P3.1, V1.3-1.4,V3.3	120
	Concept and Vision	G3.2, G3.5	122
	Results	S3.8-3.9, S3.11, V3.6	122
	Cultivating the Gene of Love for Hong Kong and Integrating into the Development of the SAR	V1.2-1.4, V2.6, V3.1, V3.4, V3.7	123
	Coordinating Public Welfare Resources and Acting as a Corporate Citizen	V3.3-3.4, V3.6	126
	Strengthening the Required Actions and Implementing the Supporting Tasks	V1.1-1.4, V3.1-3.6	127
	Innovative Projects to Tap into Potential and Fulfill Responsibilities	V1.1-1.4, V3.1-3.6	132
	Constructing Hope Villages to Facilitate Rural Revitalisation	V1.1-1.4, V3.4-3.6	134
	Responding to Community Needs and Supporting Home Building	V3.4-3.5, V3.7	137
	Strict Production Safety to Safeguard the Public	S3.4-3.9	141
	Commitment and Performance	G2.4, G3.2	143
Responsibility Management	Responsibility Concept	G2.1	146
	Responsibility Strategy	G2.4, G3.2-3.3	147
	Responsibility Model	G2.1	148
	Establishing Organizations with Responsibility	G2.2, G3.1	149
	Developing Responsibility Capacity	G3.4, G3.9-3.10	152
	Building a Responsible Brand	G3.7	153
	Responsibility Assessment	G3.8	155
	Identifying Responsibility Issues and Responding to the Demands of Stakeholders	G3.5-3.6	156
Appendix	About the Report	P1.1-1.3	158
	Key Performance Indicators (KPI) for 2021-2023	A2	159
	ESG Indicators Index	A4	160
	Rating Report	A3	163
	Reader's Feedback	A5	164

Rating Report

Rating Report on 2023 Sustainability Report of China Resources (Holdings) Co., Ltd. Upon the request of China Resources (Holdings) Co., Ltd., the Chinese Expert Committee on CSR Report Rating invited experts to form a rating group, to rate the 2023 Sustainability Report of China. Resources (Holdings) Co., Ltd. (hereinafter referred to as "the Report").

I. Rating Criteria

The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) by the Chinese Academy of Social Sciences, and the Rating Standard on Corporate Social Responsibility Reporting for Chinese Enterprises (2020) by China Corporate Social Responsibility Report Rating Expert Committee.

II. Rating Process

1. The rating group reviews the Confirmation on the Materials Related to the Preparation Process of Sustainability Report and other supporting materials submitted by the Report's preparation group;
2. The rating group draws up the rating report based on its appraisal of the preparation process and the content of the Report;
3. The rating report is signed by both the vice chairman of the Expert Committee, and experts together with the head of the rating group.

III. Conclusion

Process Management (★★★★★) CRH's General Office took the lead in setting up the report preparation team, with the Vice President of the Group as the chief editor, responsible for coordination and final approval, and the Deputy Director of the Office as the deputy chief editor, guiding the execution of the specific work. The positioning of the Report's function and value is clear: an important tool to improve the information disclosure mechanism, advocate social responsibility concepts, strengthen communication with stakeholders and enhance social responsibility management. CRH identified Material Topics according to national policies, domestic and international social responsibility standards, annual social responsibility hotspots, major matters of the Company, and questionnaires to stakeholders. For the sixth consecutive year, the Group has achieved full coverage of social responsibility reporting at the three-level across the entire group, with a total of 49 independent social responsibility reports compiled by the Group and its subsidiaries. The Group intends to hold a special press conference to issue the Report, which will be presented in electronic version, printed version, and Chinese and English versions, achieving outstanding performance in process management. **Materiality (★★★★★)** The Report has systematically disclosed key industrial issues relating to product quality management, product innovation,

occupational health management, employee rights and benefits protection, work safety, R&D and application of environmental technologies and equipment, energy and resource saving, reducing emissions of Three Wastes, governance of ecological environment, etc. The information is adequate and detailed, achieving outstanding performance in materiality.

Completeness (★★★★★)

The Report systematically disclosed 94.79% of the Group's core indicators, from Economic Responsibility: New, World-Class Empowerment, Employee Responsibility: Unity, Achieving an Extraordinary Life, Customer Responsibility: Innovation for a Better Life, Environmental Responsibility: Protecting and Fulfilling the Dual Carbon Commitment, Partner Responsibility: Making Progress Together and Creating a Healthy Ecology, and Public Responsibility: Companion Brings Positive Change, achieving excellent performance in completeness. **Balance (★★★★★)** The Report disclosed negative data such as employee turnover rate, fatality rate per 1,000 employees, number of major labor disputes, human rights complaints, as well as complaints arising from violations of consumer data and privacy protection requirements and provided detailed descriptions of the quality complaints and negative incidents handled by CR Land projects. All these delivered an outstanding performance in balance.

Comparability (★★★★★)

Through a comparative analysis, the Report disclosed 96 key indicators of 3 consecutive years of the Group, including total revenue, total assets, World Top 500 ranking, R&D investment, number of new employment and total environmental protection. It also conducted horizontal comparison through No.1 on the list of China's top 300 enterprises in the Blue Book on Corporate Social Responsibility of CASS and ranking 74th in the World Top 500, achieving outstanding performance in comparability.

Readability (★★★★★)

With "Accelerating the Building of a World-Class Enterprise"as its theme and stakeholders' theory as its basis, the Report systematically explained the Group's annual progresses in fulfilling its responsibilities for the economy, employees, customers, environment, partners, and the public highlighting the timelessness of the Report and the responsible leadership for fulfilling corporate responsibility. The cover design utilizes the elements of the Group's main business and shapes diversified responsibility fulfillment scenarios with window-shaped modeling, which enhances the recognizability and affinity of the Report; each chapter of the Report opened with a "Story", which vividly told the responsibility practice in a story style, and started with "Concept and Vision" and key performance, which enhanced the communication value of the Report. Generally, cases and performances

are abundant and accurate, with pictures and descriptions well-matched, achieving outstanding performance in readability.

Innovation (★★★★★)

The Report has set up responsibility story vlogs, which are one of the key efforts on responsible branding, which highlighted the dissemination and innovation of the Report. The Group took the initiative to carry out standard research in the field of social responsibility and developed the "1 +N" social responsibility system with CRH characteristic, and promoted "Responsibility+" using indicator management; established a social responsibility demonstration base and further led the standardization of social responsibility practice projects; developed social responsibility digital platform and effectively achieves the standardized accumulation and intelligent display of the fundamental data of CRH's social responsibility and ESG work; launched the first social responsibility promotional video "Assume Responsibility and Dream for Good", which further introduced the CRH's stories of responsibility, demonstrated the ability of CRH for being responsible. These presented an outstanding performance in innovation .

Overall Rating (★★★★★+)

According to the assessment of the rating group, the Rating Report on 2023 Sustainability Report of China Resources (Holdings) Co., Ltd. was rated as 5-star in its process management, materiality, completeness, balance, comparability, readability and innovation, and as "five star plus" in overall performance, setting an example for CSR reports.



CRH's CSR report was rated as 5-star for the fifth consecutive year, and as "five-star plus" for the fifth consecutive year.

IV. Suggestions

Consider augmenting the disclosure of core industry indicators to enhance the comprehensiveness of the Report.

钟宏武 邵同胜

钟宏武



Readers' Feedback

Dear readers,
Greetings!

Thank you for your time devoted to reading the Report. In our ongoing pursuit of excellence in preparing the Report and commitment to fulfilling our responsibilities, we kindly invite your valuable comments and suggestions!

1. Please indicate your stakeholder category

☐ Government employee

☐ Employee

☐ Community residents

☐ Others

☐ Regulatory authorities

☐ Customer

☐ CSR practitioners

☐ Shareholder and investor

☐ Suppliers and partners

☐ Industrial peers

2. What is your overall evaluation of the Report?

☐ 5

☐ 4

☐ 3

☐ 2

☐ 1

3. What is your overall evaluation of the information disclosure of the Report?

☐ 5

☐ 4

☐ 3

☐ 2

☐ 1

4. What is your overall evaluation of the structure of the Report?

☐ 5

☐ 4

☐ 3

☐ 2

☐ 1

5. What is your overall evaluation of the format and design of the Report?

☐ 5

☐ 4

☐ 3

☐ 2

☐ 1

6. What is your overall evaluation of the readability of the Report?

☐ 5

☐ 4

☐ 3

☐ 2

☐ 1

7. Do you have any comments or suggestions for CRH regarding its efforts in social responsibility fulfillment and the Report? If yes, please provide them below:





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of the Report



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