



華潤飲料

CR BEVERAGE

(Stock Code: 02460.HK)



# Share and Trust

## Sustainability Report 2024

CR Beverage

# CONTENTS

About the Report	02
Forty Years Together, Heading Towards a New Future	04
About CR Beverage	06
Key Performance in 2024	10
2024 Milestones	12
Sustainability Management	16
<hr/>	
Responsibility Story	
Sowing Seeds of "Hope" and Celebrating the Triumphs of Rural Revitalization	26
<hr/>	
Outlook for 2025	120
Appendix	122

## Governance

### Seeking Progress while Maintaining Stability Empowering Sustainable High-Quality Development

Responsibility Topic	
02460.HK A New Start, A New Journey	34
<hr/>	
Regulating the corporate governance	38
Protecting investors' rights and interests	40
Strengthening risk management	41
Strengthening anti-corruption and upholding integrity	42
Strengthening the safety baseline	45
Developing new quality productive forces	47

## Environment

### Low-Carbon Transformation Crafting a New Chapter for Green Development

Responsibility Topic	
Waste Material Reborn - Embracing Different Ways to Live Low-Carbon	56
<hr/>	
Responding to climate change	60
Strengthening green management practices	70
Enhancing energy efficiency	71
Advancing emission reduction and governance	77
Caring for the ecological environment	80
Advocating green living	87

## Society

### Trust Makes Life Better Because of You and Me

Responsibility Topic	
Capacity Expansion Engine Fully Activated, Development Growth Rate Entering the "Fast Lane"	92
<hr/>	
Providing high-quality products and services	96
Creating a happy workplace	103
Partnering for mutual success	110
Promoting supply chain responsibility	111
Focusing on development in Hong Kong	114
Enhancing community engagement	116

# About the Report

The Report is the 12th Sustainability Report published by China Resources Beverage (Holdings) Company Limited and its subsidiaries. It systematically discloses the Company's investments and performance in environmental, social, and governance aspects in response to the concerns and expectations of various stakeholders on the Company's sustainability. Unless otherwise specified, the Report's scope is consistent with the Company's Annual Report 2024. For more information related to the Company's business and corporate governance practices, please refer to the Company's Annual Report 2024.

## Reporting commitments

The Company assures that the Report is devoid of any false information, misleading statements, or significant omissions, and the Board of Directors of the Company is accountable for the authenticity, accuracy, and completeness of the Report.

## Reporting period

The Report is an annual report covering the period from January 1, 2024 to December 31, 2024. To enhance comparability and prospective of the Report, some contents are moderately extended to the previous and subsequent years. The Report was approved by the Board of Directors on March 20, 2025.

## Name explanations

"China Resources (Holdings) Co., Ltd." is also referred to as "China Resources Group", "CR", "the Group", or similar terms. "China Resources Beverage (Holdings) Company Limited" can be also referred to as "CR Beverage", "Beverage", "we", "the Company", or "our Company", or other similar terms in the Report.

## Data sources

The data used in the Report is sourced from the Company's internal documents and the information & statistics system. Unless otherwise specified, the currency presented in the Report is in RMB.

## Reporting principles

The Report complies with the materiality, quantitative, consistency and balance principles specified in the *ESG Reporting Code*. It responds to the materiality principle by conducting material analysis on sustainability issues, and meets the quantitative principle via quantified data list accompanied by noted calculation methods. It responds to the consistency principle via standardized data disclosure criteria and statistical methods.

## Reference standards

- Global Reporting Initiative *Sustainability Report Standards* (GRI Standards)
- *United Nations Sustainable Development Goals Corporate Action Guide* (SDGs)
- *Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited - The Environmental, Social and Governance Reporting Code* (The ESG Reporting Code)
- *Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework* by the Stock Exchange of Hong Kong
- *The General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG6.0)*
- *The Chinese Corporate Sustainability Reports (CASS-ESG 6.0) for the Alcohol, Beverage and Refined Tea Manufacturing Industry*
- *The Directive Suggestions on the Fulfillment of Social Responsibilities*
- *Reference Index System for ESG Special Reports of Listed Companies Controlled by Central Enterprises*
- *China Corporate Sustainability Disclosure Standards - Basic Standards (Trial)*
- *The Regulations on the Management of Social Responsibilities of China Resources (Holdings) Co., Ltd.*
- *"1+N" Social Responsibility Index System Management Handbook of China Resources (Holdings) Co., Ltd.*

## Preparation process

In accordance with the standards mentioned above, the Report is prepared step by step, namely, peer benchmarking, questionnaire survey, stakeholder interviews, information collection and review, report writing, management approval, and report rating, which ensures the completeness, substance, truthfulness and balance of the Report.

## Access to the report

The Report is available in both Simplified Chinese and English versions. The electronic version can be downloaded from the website of the Stock Exchange of Hong Kong Limited(<https://www.hkexnews.hk>)and the official website of the Company (<https://en.crbeverage.com>).

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# Forty Years Together, Heading Towards a New Future



2024 marks a significant year in the development of CR Beverage. As the Company celebrated its 40th anniversary, we achieved the moment of glory by listing on the Stock Exchange of Hong Kong (02460.HK), signifying its entry onto the global capital stage and the beginning of a new journey toward high-quality development.

Looking back to 2024, tens of thousands of employees at CR Beverage polished the backdrop of hard work, sounded the clarion call for solid work, delicate cultivation for triumphing at the end market. The Company's production, operations, reform, and development have all developed steadily and rapidly, delivering a strong performance in the capital markets. In 2024, CR Beverage's packaged water business outpaced the industry in retail sales growth. The beverage business saw rapid development with a three-year compound annual growth rate of 40% in revenue, increasing its share to 10.3%. The profit margin continued to improve, with net profit for the year growing by 24.7% year-on-year, maintaining a robust high-speed compound growth trend.

## This year, we have stuck to integrity and innovation, resulting in "new achievements" in our business development efforts.

In today's rapidly evolving industry and market landscape, CR Beverage firmly believes that innovation serves as the endogenous driving force driving the Company forward. We accelerated the cultivation of new quality productive forces by leveraging our unique industrial scenarios and the benefits of next-generation information technology innovation. Key initiatives included integrating AI algorithms into the SUP terminal management system, launching a digital manufacturing management system, which achieved over 70% digital coverage in critical operational processes and infused advanced technology vitality into the production and management of CR Beverage. We sharpened market insights and expanded growth opportunities by strategically advancing a dual-engine development model focusing on beverages and packaged drinking water. We successfully launched seven new beverage products: Zhi Ben Qing Run Sour Plum Drink, Mi Shui Lemon Soda, 350mL Passion Fruit Mi Shui, The Tea of Wish, and the newly upgraded Mulene sports beverage. We also expanded our packaged drinking water portfolio with new categories and specifications to meet diverse consumer diversified needs, further energizing our "second growth curve". We constantly accelerate the momentum of our capacity expansion. We broke ground on the Wenzhou production base and advanced the commissioning of facilities such as the Yixing

Factory and Phase II of the Changsha Factory, adding 22 new production lines, effectively ensuring a stable supply of product in the market, and laying a solid foundation for the CR Beverage's market expansion.

## This year, we firmly established the "Dual Carbon" goal and explored a "new path" of green environmental protection.

As an industry leader, CR Beverage is steadfast in its commitment to the concepts of ecological priority and green development. We actively engaged in energy conservation, emission reduction, and the promotion of circular economy while pursuing the coordinated development of enterprise and the ecological environment. We continuously improve our "carbon management system," sort through carbon emissions data comprehensively, and evaluate our overall carbon footprint. In 2024, carbon dioxide emission intensity per unit of product fell by 25.84% compared to 2020. We accelerated the development and use of clean energy, achieving a 10.22% green energy utilization rate through proactive procurement of green power, the construction of distributed photovoltaic power generation systems, and other efforts. We also promoted full life cycle management of the water footprint, successfully reducing water consumption in production while achieving a remarkable 114.38% year-on-year increase in annual reuse water volume. For the 14th consecutive year, we were honored as a "Green Water and Mountains · Outstanding

Enterprise in Water Conservation and Energy Saving" by the China Beverage Industry Association. We upgraded the "C'estbon Waste Material Re-born Program", went into five major cities and communities across the country, including communities, office buildings, shopping malls, parks, and rural areas, and engaged 69,857 Re-born partners to embed the idea of recycling in daily life in a more fluid form.

## This year, we gathered our strengths to build a "new mechanism" that fosters mutual benefits and win-win.

CR Beverage has consistently upheld an open and cooperative attitude, actively seeking win-win collaboration models with governments, suppliers, academic institutions, the media, and other societal partners, and has worked tirelessly to build a high-quality development ecosystem. We continue to increase cooperation with external think tanks, actively promote the integration of "industry, academia and research", and jointly build a joint research center for microbial control and application technology with the Tsinghua Shenzhen International Graduate School to jointly tackle technical microbial bottleneck problems. We co-hosted the 2024 C'estbon "New Drink Power" University Innovation Challenge with South China University of Technology and the Guang Dong Institute of Food Science and Technology, aiming to accelerate the transformation of scientific research findings into practical applications. We cherish the cooperation and exchanges both within the industry and beyond, continuously strengthening and deepening our relationships with over 30 professional industry associations. We serve as the Vice Chair Unit of the China Beverage Industry Association, the Natural Mineral Water Sub-Association of the China Beverage Industry Association and the Guangdong Province Bottled Drinking Water Industry Association. We participated in the compilation and release of eight standards, including the *General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG6.0)* and *Industrial Water Quota Part 65: Beverages (GB/T 18916.65-2024)*, promoting the standardized development of the industry. Additionally, we actively fostered strong relationships with major media platforms to ensure positive brand storytelling for CR Beverage. As a result, there were no significant negative public opinion incidents reported in 2024.

## This year, with the "great matters of the nation" in our hearts, we have demonstrated a "new commitment" to serving society."

The vision underpinning CR Beverage's ESG strategy is "Better and stronger: to become a world-class beverage enterprise". In our

pursuit of economic value, we are committed to upholding our public responsibilities with more outstanding and powerful actions, demonstrating our profound commitment and responsibility through five pillars of ESG strategy: Green Transition, Craftsmanship Excellence, Trust Partnership, Mutual Commitment, and Sharing Joy. As TEAM CHINA's official partner, we have always been a strong "reserve force" for their athletes, providing support in major domestic and international events such as the Paris Games. We fully supported the Chinese Super League (CSL), enabling hundreds of millions of fans to enjoy football and unleash their passion. We were actively involved in mass sports, providing professional supplies for marathon events in major cities across the country. In 2024, we sponsored 131 marathons and supported more than 4 million runners in achieving their goals. We continued to improve the "Public Welfare Rapid Response Mechanism for Disaster Relief", effectively participating in disaster relief operations across the country. By the end of 2024, the Company had participated in about 320 earthquake and flood disaster relief operations and donated over 460,000 boxes of packaged drinking water and beverages. The "C'estbon Hundred Libraries Program" has been continuously implemented, resulting in the establishment of seven new rural public libraries in Guangchang County and Anyuan County in Jiangxi Province, Qingliu County in Fujian Province, Haiyuan County in the Ningxia Hui Autonomous Region, and Nanjiang County in Sichuan Province. These libraries offer children the nice reading environment. Additionally, the Company has actively enhanced its support model by implementing a "One-for-One Support Program" in collaboration with the Ayi Choir for two consecutive years. This initiative, which involves Yi children from Daliang Mountain, aims to establish a sustainable "Cultural Revitalization" model for CR Beverage.

With the winds of momentum driving our long journey, we set sail anew under the weight of immense responsibilities. 2025 marks the concluding of China's "14th Five-Year" Plan and the groundwork for the "15th Five-Year" Plan. It also signifies the first year following the successful listing of CR Beverage. Standing at a new starting point in our development, we will continue to uphold the philosophy of long-termism and steady operation, bringing the Company's ESG construction to a new level with a more forward-thinking mindset and steadfast practices. Together with all stakeholders, we will stride forward with the times, leveraging the strengths of CR Beverager to pioneer and propel industry sustainability.

Zhang Weitong  
Chairman of the Board



# About CR Beverage

## Corporate profile

China Resources Beverage (Holdings) Company Limited ("CR Beverage" or the "Company") is one of the key state-owned enterprises under the direct supervision and leadership of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, and is a professional ready-to-drink soft beverage company under China Resources Group, a state-owned conglomerate headquartered in Hong Kong which ranked 60th in the Fortune Global 500 in 2024. CR Beverage is headquartered in Shenzhen High-tech Industrial Park (North District), No. 22 Langshan Road, Nanshan District, Shenzhen, Guangdong Province. Our Company is one of the first enterprises specializing in the production of packaged drinking water in China since early 1990s, with the main business being producing packaged drinking water (under the core brand C'estbon) and other beverage products. China Resources Beverage (Holdings) Company Limited (stock code: 02460.HK, abbreviation: CR Beverage) officially commenced trading on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKEX" or "Hong Kong Stock Exchange" ) on October 23, 2024, becoming the 18th listed company under China Resources Group.

The Company is the Vice Chair Unit of the China Beverage Industry Association, the Natural Mineral Water Sub-Association of the China Beverage Industry Association and the Guangdong Province Bottled Drinking Water Industry Association. In addition, CR Beverage is the member of over 30 professional industry associations (including their sub-associations), including the technical working committee and the mineral water professional committee of the China Beverage Industry Association. As one of the principal initiators and drafters of the national standard for *Bottled Purified Drinking Water*, the Company adopts advanced production technology to ensure that its products meet or exceed the national standards. This commitment enables the Company to provide consumers with safe, healthy and high-quality products while earning their recognition through good service.

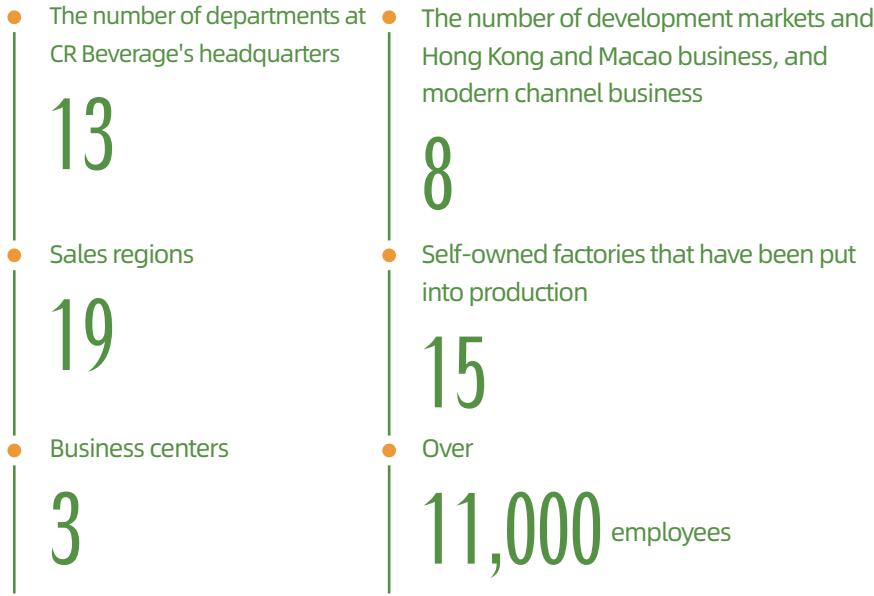


<sup>1</sup>Data source: the China Insights Consultancy report

## Organizational structure

In 2024, CR Beverage continued to optimize its business layout and function setting, further improved the management structure of its three business centers: marketing, operation, and production. The Company promoted more efficient order flow, capital flow, and goods flow. It accelerated the implementation of its self-owned production capacity investment and construction while continuously improving its organizational operation efficiency.

By the end of 2024



## Business Types and Distribution

As a company closely connected to the daily lives of the public, CR Beverage has consistently dedicated itself to enhancing the quality of life for consumers and contributing to the creation of a better living experience. We strive to offer a diverse range of high-quality products and services, delivering accessible excellence to millions. The Company proudly presents a diverse portfolio of brands and product series, including "C'estbon", "L'eau", "Bonjour Forêt", "Holiday Series", "Mi Shui Series", "Zhi Ben Qing Run", "The Tea of Wish", "Zuo Wei Cha Shi", "Mulene" and "FEEL", covering packaged drinking water, fruit juice drinks, herbal drinks, tea drinks, sports drinks, coffee drinks, milk tea drinks, carbonated drinks and other categories.



Image of the CR Beverage product portfolio

S/N	Full Name of the Headquarters/the Branch	Operation Address
1	China Resources Beverage (Holdings) Company Limited	Shenzhen City, Guangdong Province
2	China Resources C'estbon Beverage (China) Co., Ltd.	Shenzhen City, Guangdong Province
3	China Resources C'estbon Beverage (China) Investment Co., Ltd.	Shenzhen City, Guangdong Province
4	China Resources C'estbon Beverage Co., Ltd.	Hong Kong Special Administrative Region
5	South China Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Shenzhen City, Guangdong Province
6	China Resources Food & Beverage (Shenzhen) Co., Ltd.	Shenzhen City, Guangdong Province
7	Jiangmen Factory of China Resources Food & Beverage (Shenzhen) Co., Ltd.	Jiangmen City, Guangdong Province
8	Zhuhai Yonglong Jialinshan Mineral Water Co., Ltd.	Zhuhai City, Guangdong Province
9	Zhuhai Yonglong Beverage Co., Ltd.	Zhuhai City, Guangdong Province
10	China Resources C'estbon Beverage (Zhaoqing) Co., Ltd.	Zhaoqing City, Guangdong Province
11	China Resources C'estbon (Heyuan) Wanlv Lake Beverage Co., Ltd.	Heyuan City, Guangdong Province
12	China Resources C'estbon Beverage (Heyuan) Co., Ltd.	Heyuan City, Guangdong Province
13	China Resources C'estbon Beverage (Wuyi Mountain) Co., Ltd.	Nanping City, Fujian Province
14	China Resources C'estbon Beverage (Nanning) Co., Ltd.	Nanning, Guangxi Zhuang Autonomous Region
15	Beijing Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Beijing City
16	Hebei Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Shijiazhuang City, Hebei Province
17	Hunan Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Changsha City, Hunan Province
18	China Resources C'estbon Beverage (Changsha) Co., Ltd.	Changsha City, Hunan Province
19	Jiangxi Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Nanchang City, Jiangxi Province
20	China Resources C'estbon Beverage (Lu'an) Co., Ltd.	Lu'an City, Anhui Province
21	East China Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Shanghai City
22	Shanghai C'estbon Food Co., Ltd.	Shanghai City
23	China Resources C'estbon Beverage (Yixing) Co., Ltd.	Yixing City, Jiangsu Province
24	Shandong Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Jinan City, Shandong Province
25	Southwest China Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Chengdu City, Sichuan Province
26	China Resources C'estbon Beverage (Chengdu) Co., Ltd.	Chengdu City, Sichuan Province
27	Gansu Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Lanzhou City, Gansu Province
28	Liaoning Branch of China Resources C'estbon Beverage (China) Co., Ltd.	Shenyang City, Liaoning Province
29	China Resources C'estbon Beverage (Wenzhou) Co., Ltd.	Wenzhou City, Zhejiang Province
30	China Resources C'estbon Beverage (Wuhan) Co., Ltd.	Wuhan City, Hubei Province
31	China Resources C'estbon Beverage (Danjiangkou) Co., Ltd.	Danjiangkou City, Hubei Province

Corporate Culture



Our culture philosophy system under the "14th Five-Year" Plan

DNA

Determining to realize the great rejuvenation of the Chinese nation  
Pursue to create a happy life for the people  
Strive for the economic prosperity for the country

Mission

Shape the future of the refreshment and to bring a safe, healthy and wonderful life

Vision

Better and stronger: to become a world-class beverage enterprise

Value

Integrity Performance-Oriented  
People-Oriented Win-Win  
Collaboration

Spirit

Dedicated oneself to the cause of the country  
Be the pioneer to be innovative  
To forge ahead with perseverance  
Exert constantly for the betterment

Atmosphere

Sincerity Solidarity Open-mindedness Proactivity

The propaganda slogan of "14th Five-Year" Plan

Delicate cultivation for triumphing at the end market

# Key Performance in 2024

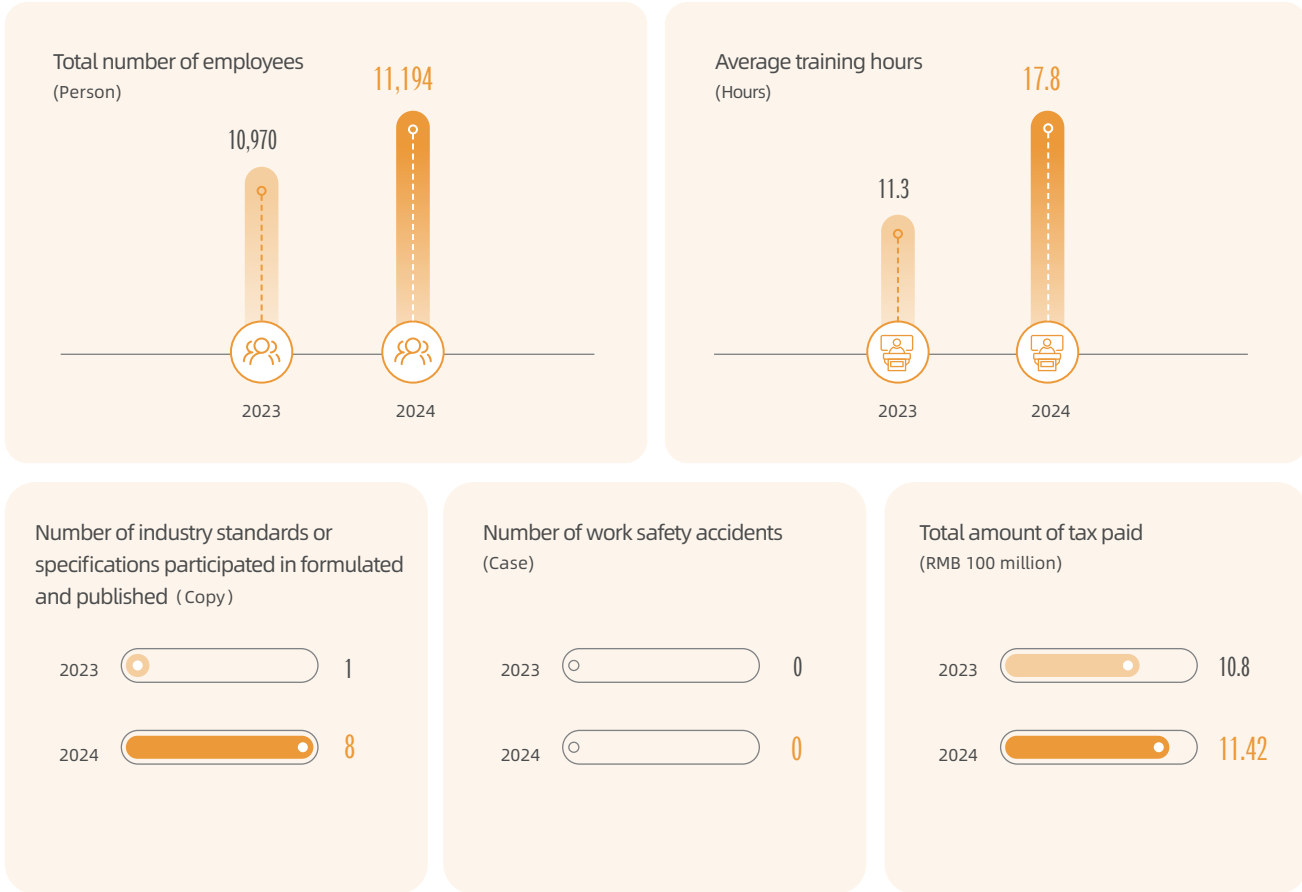


## Environmental performance

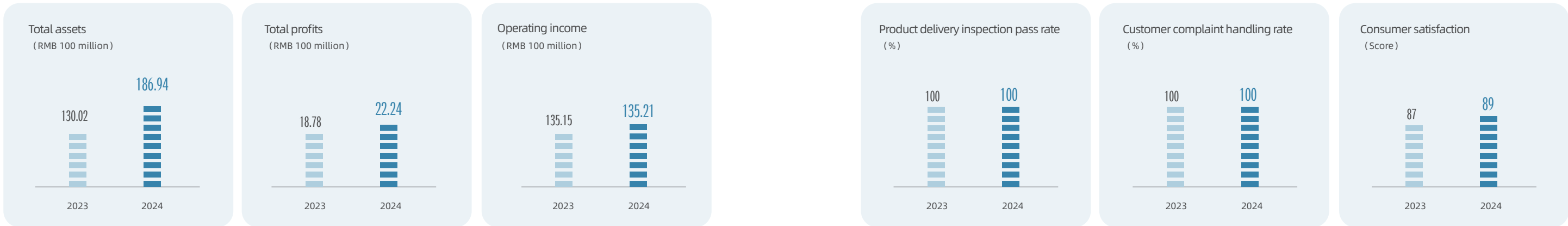
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## Social performance



## Operating performance





# 2024 Milestones

The year 2024 marks the 40th anniversary of CR Beverage, also a significant milestone in the Company's development journey. As the largest purified drinking water enterprise in China, we remain committed to making our core business better and stronger while upholding our economic responsibilities. At the same time, we unwaveringly pursued sustainable development for the environment and society. We unleash new vitality in various aspects, including business expansion, brand building, research and development innovation, as well as responsible public welfare.

01

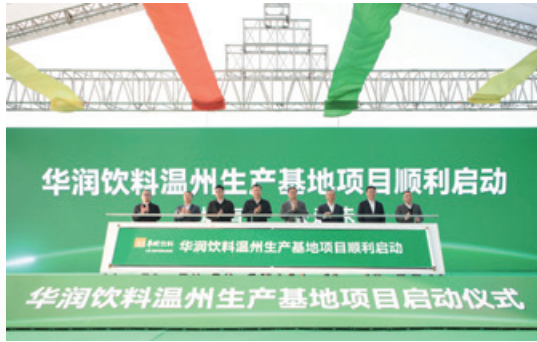
Successfully listed on the HKEX



On October 23, 2024, CR Beverage (02460.HK) was successfully listed on the Hong Kong Stock Exchange, becoming the 18th listed company under the China Resources Group. This milestone marks CR Beverage's official entry onto the international capital stage.

02

Continues to accelerate its capacity expansion



The CR Beverage Wenzhou Production Base Project has officially launched, marking the Company's fifth newly planned factory during the "14th Five-Year" Plan period. The facility will specialize in the production and sale of bottled purified water and is expected to be completed by the end of 2025. Once fully operational, it is projected to generate an annual output value of RMB 650 million, effectively meeting market demand in Zhejiang Province. At the same time, we are steadily advancing the construction of the Danjiangkou Factory and the production of Yixing Factory and Changsha Factory Phase II. This expansion will introduce a total of 22 new production lines, effectively ensuring a robust supply of products in the market and establishing a solid foundation for CR Beverage's growth in market expansion.

03

Expansion of the products family

To meet the diversified needs of consumers, the "CR Beverage Family" added new members in 2024: Zhi Ben Qing Run Sour Plum Drink, Mi Shui Lemon Soda, 350mL Passion Fruit Mi Shui, The Tea of Wish, 5L C'estbon Natural Water, Bonjour Forêt packaged drinking water, C'estbon Sports Cap purified water, the newly upgraded Mulene sports beverage, and other new products, made their debuts with dazzling presence, adding a tangible beauty to our lives.



04

Supporting TEAM CHINA for Paris



As the official provider of drinking water for TEAM CHINA, CR Beverage has been a steadfast partner to Chinese athletes on their journey to the Paris 2024 Olympic Games. Ahead of the event, a total of 47,400 bottles of CR Beverage products were delivered in advance to TEAM CHINA's training camp, support center, and the "China House" in France, ensuring the athletes are well-supported as they prepare for the competition.

05

Named title sponsor of the Chinese Super League (CSL)



In 2024, CR C'estbon became the title sponsor of the Chinese Super League (CSL), the highest level of professional football in China. This sponsorship comes at an opportune moment, reflecting C'estbon's confidence and aspirations for Chinese football. On the pitch, we united with players and fans, delivering exceptional event services and professional support to contribute the growth of Chinese football with practical efforts.



06

Partnered with Tsinghua Shenzhen International Graduate School to co-build a joint research center



In alignment with the Company's development strategy under the "14th Five-Year" Plan, CR Beverage has partnered with Tsinghua Shenzhen International Graduate School to co-build a joint research center. By integrating resources, the center focuses on innovative research in microbial control and application technology, aiming to solve the "bottleneck" technical challenges related to this field. Additionally, the Company collaborates with leading food science institutions across China and the Guangdong Institute of Food Science and Technology to launch the 2024 C'estbon "New Drink Power" College Innovation Challenge. Through this initiative, CR Beverage actively facilitates the transformation of academic research into new quality productive forces, thereby promoting high-quality development in the industry.

08

"One-to-One"paired assistance helped Ayi Choir to debut at National Grand Theater



With the coordination and support of CR Beverage, the Ayi Choir from Leibo County, Liangshan Yi Autonomous Prefecture, Sichuan Province, was invited by the China Soong Ching Ling Science & Culture Center for Young People to the National Grand Theater for the Performing Arts in Beijing on Children's Day to participate in the themed performance "Growing Up With My Country Motherland". The 15 children from the Ayi Choir performed "Ayi's Wings," an adaptation of traditional Yi ethnic folk songs. Together with 40 other children's performance groups comprising over 2,000 children from across the nation, they presented a magnificent artistic celebration for the Children's Day.

09

Launched the 2024 "C'estbon Waste Material Re-born Program"



In 2024, CR Beverage's "C'estbon Waste Material Re-born Program" has been upgraded with new initiatives, including science exhibitions, remodeling workshops, award-winning quizzes, and community interaction. Together with Mixc Lifestyle, the program toured Chengdu, Wuhan, Chongqing, Shanghai, and Shenzhen to showcase the recycling and regeneration process of plastic bottles. This initiative aims to deepen public awareness of sustainable and low-carbon living practices.



07

The industry ESG information disclosure guideline co-authored was officially released



CR Beverage actively engaged in the research and development of two authoritative ESG disclosure guidelines: *the General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG6.0)* by Chinese Academy of Social Sciences and *the Chinese Corporate Sustainability Reports (CASS-ESG 6.0) for the Alcohol, Beverage and Refined Tea Manufacturing Industry* by Chinese Academy of Social Sciences. These efforts are designed to enhance the sustainability management levels of industries and enterprises and contribute to the establishment of a distinctive Chinese ESG evaluation system.

10

"Public Welfare Rapid Response Mechanism for Disaster Relief" effectively responded to disaster relief needs, donating 23,500 cases of drinking water to disaster stricken areas throughout the year



CR Beverage not only fulfills the daily needs of people but also consistently offers the public with safe, healthy and enriching life experiences. In times of disasters, the Company actively takes its corporate social responsibility and makes every effort to ensure the safety of drinking water for disaster stricken people and the frontline rescue personnel. In 2024, relying on the "Public Welfare Rapid Response Mechanism for Disaster Relief", CR Beverage made a significant contribution by donating a total of 23,500 cases of C'estbon purified water to areas affected by mountain fire and floods. These regions include Yajiang in Sichuan, Qingyuan in Guangdong, Chenzhou in Hunan, Jianchang in Liaoning, and Yongcheng in Henan.

# Sustainability Management

## Board of Directors Statement

The Company and the Board of Directors adhere to the requirements of the China Securities Regulatory Commission's *Code of Corporate Governance for Listed Companies*, as well as the the Hong Kong Stock Exchange's *Code on Corporate Governance*, and *the Environmental, Social, and Governance Reporting Code*, strengthening the Board of Directors' oversight and participation in the Company's ESG affairs, proactively integrating ESG into the corporate strategy, major decisions, and production operations. Starting from the top-level design, we have developed a comprehensive corporate ESG strategy that establishes clear directions and objectives. We meticulously address the diverse needs of our stakeholders, including shareholders, customers, employees, partners, and communities. Furthermore, we actively engage in ESG practices to foster sustainable corporate development.

As the highest decision-making body for sustainability management at CR Beverage, the Board of Directors is responsible for approving the ESG strategy, supervising related policies, management and performance reviewing and approving ESG disclosures, and comprehensively supervising all facets of sustainability work.

Based on the external macro-environments and the Company's development strategy, the Board of Directors conducts regular meetings to review ESG materiality issues, monitor and evaluate progress in ESG efforts, and provide recommendations. The Board of Directors identifies ESG risks and opportunities arising from the Company's operations, assesses their significance, prioritizes materiality issue management and improvement as key ESG tasks, integrates them into the overall corporate strategy, and establishes as well as maintains effective ESG risk management.

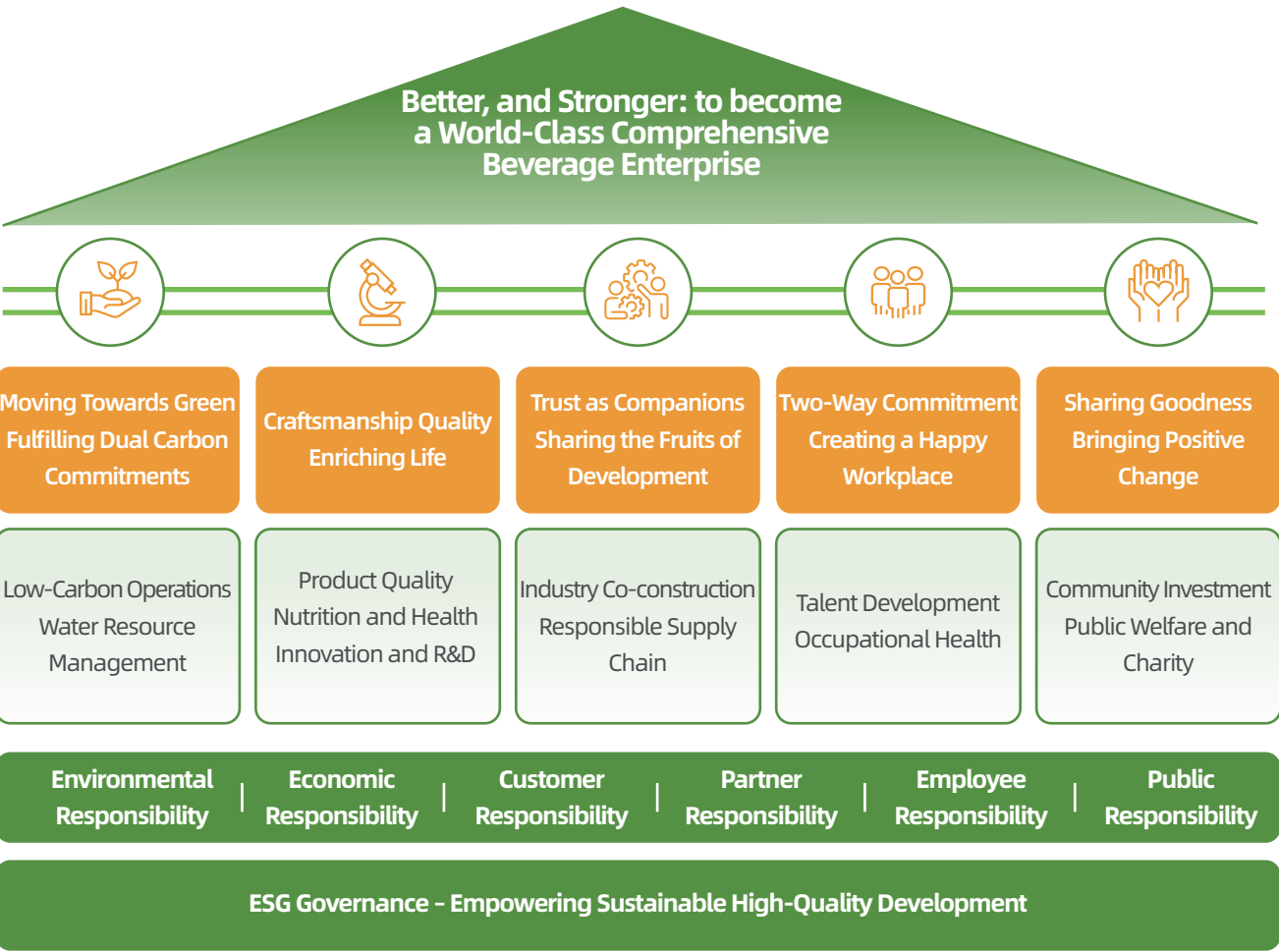
## Sustainability strategy

CR Beverage integrates its corporate vision with the principles of sustainable development, establishing a comprehensive strategy centered around Six Responsibilities, which lays a solid foundation for creating long-term value and positive social impact. With the strategic vision of "Better and stronger: to become a world-class beverage enterprise", the Company embeds sustainability into every facet of its business operations, thereby forming a strategic framework based on the Five Pillars and the Six Responsibility Areas.

The Five Pillars of sustainable development present the CR Beverage's comprehensive commitment to environmental protection, social responsibility, product innovation, industry collaboration, and employee welfare. These pillars encompass key ESG topics such as low-carbon operations, water resource management, community investment, public welfare and charity initiatives, product quality, innovative R&D, collaborative industry efforts, responsible supply chain management, talent development and occupational health. These pillars not only showcase its comprehensive strength in advancing green development, promoting social harmony, and enhancing customer experience but also reflects its long-term commitment to generating multi-dimensional value for its stakeholders.

In addition, the Company bases its sustainability strategy on Six Responsibility Areas: environmental, economy, customer, partner, employees and public responsibilities. This approach precisely delineates the boundaries of corporate responsibility and clarifies the practical pathways for the Company across various dimensions. This system not only strengthens the ESG governance capabilities but also helps the Company achieve a harmonious balance between economic benefits and social value in high-quality development, further conveying CR Beverage's corporate image as an organization that upholds integrity and fosters innovation.

By systematically developing its sustainability strategy, CR Beverage has not only established a comprehensive and robust governance framework but also continues to advance industry progress through practical actions. Moving forward, the Company will always uphold its mission and responsibilities as an industry leader, continuously steering industry development while providing safe, healthy, and high-quality living experiences for society.





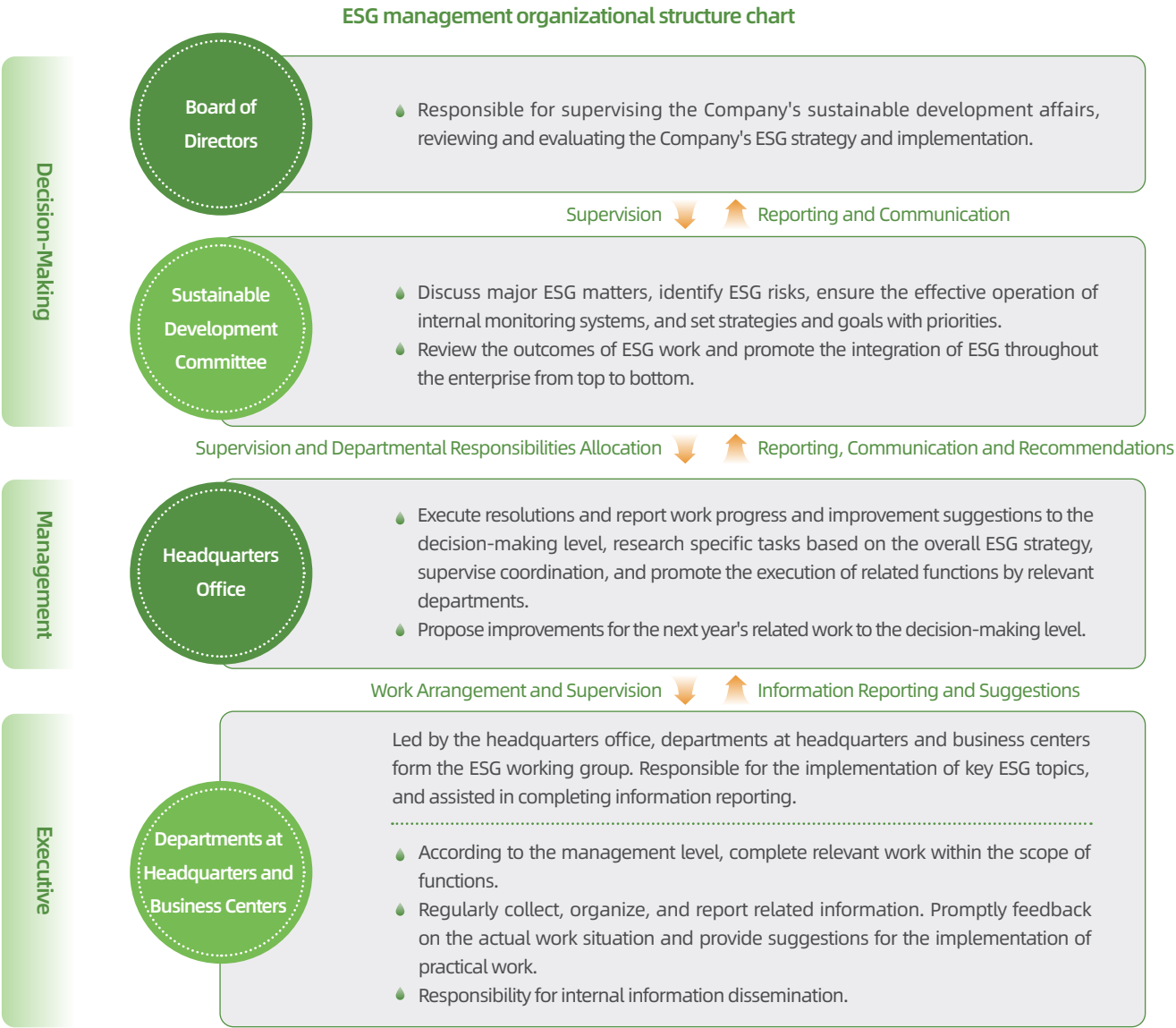
Sustainable development goals

CR Beverage has established a robust mechanism for managing ESG target and developed *the Task List aimed at Enhancing ESG Issue Management* for the periods of 2025-2026 as well as throughout the "15th Five-Year" Plan. This list delineates 43 enhancement initiatives across 20 key ESG topics including energy and resource management, dealing with water stress, greenhouse gas emissions control, waste management, and responsible supply chain practices. The Company's Sustainable Development Committee regularly reviews the progress towards these targets to facilitate the achievement of the Company's ESG objectives. Additionally, we engage an independent accounting firm to verify the ESG performance indicators selected by the Company, thereby ensuring the reliability and accuracy of the ESG performance indicators.

Sustainability governance

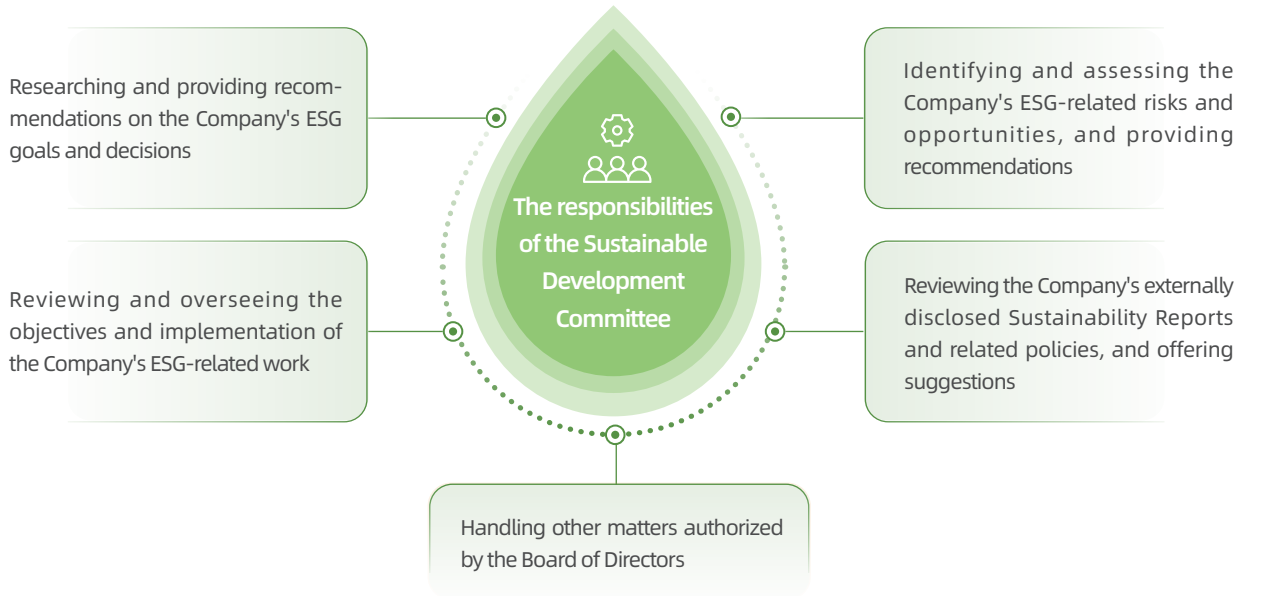
» Organizational structure

CR Beverage incorporates its ESG efforts into daily management practices and continuously refines its organizational structure for sustainability management.



Decision-making level

The Board of Directors is designated as the highest decision-making body for sustainability management, overseeing all sustainability-related matters comprehensively; Additionally, the Sustainable Development Committee has been established to supervise and manage the Company's social responsibility and ESG-related issues. This committee is tasked with conducting preliminary research on topics that require approval from the Board of Directors.



Management level

Managed by the headquarters office, people at this level are tasked with the comprehensive management of ESG-related matters. They ensure the formulation and scheduling of specific research and implementation tasks related to ESG strategies, while also providing regular reports to the Sustainable Development Committee.

Execution level

Comprised of departments at headquarters and business centers, people at this level are tasked with the execution of specific ESG tasks. They promptly communicate actual work conditions back to the headquarters office and are responsible for disseminating internal ESG-related information.

CR Beverage places great emphasis on sustainable and high-quality development, closely aligning the compensation of company management level with the outcomes of sustainability performance metrics. This includes, but is not limited to, assigning weights to key management indicators such as the construction and management efficiency of green new capacities. Additional points may be awarded or deducted based on performance in areas including energy conservation and emission reduction, social responsibility management, integrity and legal compliance, compliance and risk management practices, and EHS incidents.

>> Top-level promotion

The Board of Directors and leadership team of CR Beverage place significant importance on the Company's ESG management and practices. They have supported and participated many times in the Company's brand ESG programs, such as the "C'estbon Hundred Libraries Program", the "C'estbon Waste Material Re-born Program", and the "Ayi Choir One-to-One Support Program". Furthermore, they have conducted multiple field visits to the Nanjiang CR Hope Town and other designated support counties identified by China Resources Group, providing substantial guidance on CR Beverage's ESG work.



Members of the management team of CR Beverage visit Nanjiang China Resources Hope Town to guide pairing assistance work



Chairman of the Board of CR Beverage visits and comforts members of the Ayi Choir



Executive Directors of CR Beverage participate in the return visit of the "C'estbon Hundred Libraries Program"



External Directors participate in the "C'estbon Waste Material Re-born Program"

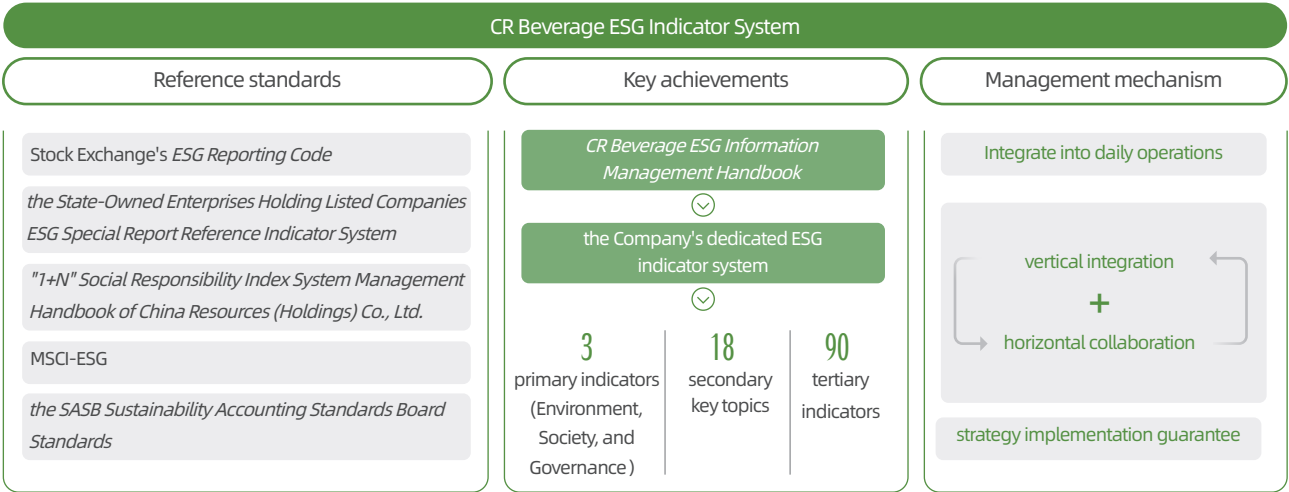
>> Institutional system

CR Beverage is firmly committed to the principles of sustainable development. Through the systematic implementation of ESG management policies and a comprehensive system, the Company has established a robust foundation for high-quality and sustainable development. In 2024, the Company formulated and publicly released 12 ESG management policies, including *Packaging Material Management Policy*, *Water Resources Management Policy*, *Wastewater Management Policy*, *Greenhouse Gas Management Policy*, *Energy Management Policy*, *Biodiversity Protection Policy*, *Sustainable Procurement Policy*, *Supplier Code of Conduct*, *Health and Safety Management Policy*, *Responsible Marketing Policy*, *Business Ethics Code* and *Anti-Corruption Policy*, which comprehensively cover key ESG topics such as supply chain management, energy efficiency improvement, ethical compliance, ecological protection, sustainable water resource utilization, carbon emissions management and employee health and safety. The release of these policies indicates that the Company has established clear strategic guidelines and action norms concerning environmental, social, and governance aspects and fostered a unified approach among various stakeholders, collectively advancing the achievement of sustainable development goals.

Additionally, in alignment with *the Regulations on the Management of Social Responsibilities of China Resources (Holdings) Co., Ltd.*, and adhering to the requirements of the Hong Kong Stock Exchange regarding ESG practices for listed companies, the Company revised the CR Beverage Social Responsibility and ESG Management Measures. Furthermore, it has developed *the CR Beverage Environmental, Social, and Governance (ESG) Information Management Manual* and *the CR Beverage Sustainable Development Committee Work Guidelines*. By delineating internal responsibilities, optimizing management processes, and strengthening execution oversight, the Company has established a systematic ESG management framework that ensures effective implementation of policies within corporate operations.

>> Indicator system

In 2024, CR Beverage further standardized and strengthened the management of ESG-related issues in alignment with the Company's development needs, aiming to enhance its ESG governance capabilities and the quality of information disclosure.



ESG capacity building

CR Beverage places significant emphasis on the latest developments in the ESG field and actively builds platforms for promotion and empowerment. The Company conducts regular training and capacity-building initiatives. In January 2025, CR Beverage organized a sustainability report preparation training session attended by representatives from headquarters' departments and business centers who is responsible for report compilation. The session covered the HKEX's policies and requirements for corporate ESG disclosures, offering a comprehensive analysis on the integration of ESG practices. It also interpreted the key points and indicators to this year's sustainability report's compiling. Furthermore, external experts were invited to conduct ESG awareness and trend training for the Company's management and directly managed managers. This initiative aims to enhance the emphasis on ESG management and facilitate the advancement of specific tasks across all leadership levels.

In 2024, CR Beverage further focused on its commitment to ESG and deeply engaged in the research of the "Top Ten ESG Research Topics in China". The Company also participated in the development and research of two authoritative ESG information disclosure standards: *the General Framework of the Chinese Corporate Sustainability Report Guide (CASS-ESG 6.0)* and *the Chinese Corporate Sustainability Reports (CASS-ESG 6.0) for the Alcohol, Beverage and Refined Tea Manufacturing Industry*. Through these contributions, CR Beverage aims to help enhance the sustainability management practices among industry enterprises and support the establishment of an ESG evaluation system that reflects Chinese characteristics.






The Company invites experts from Zerenyun for specialized sustainability report preparation training



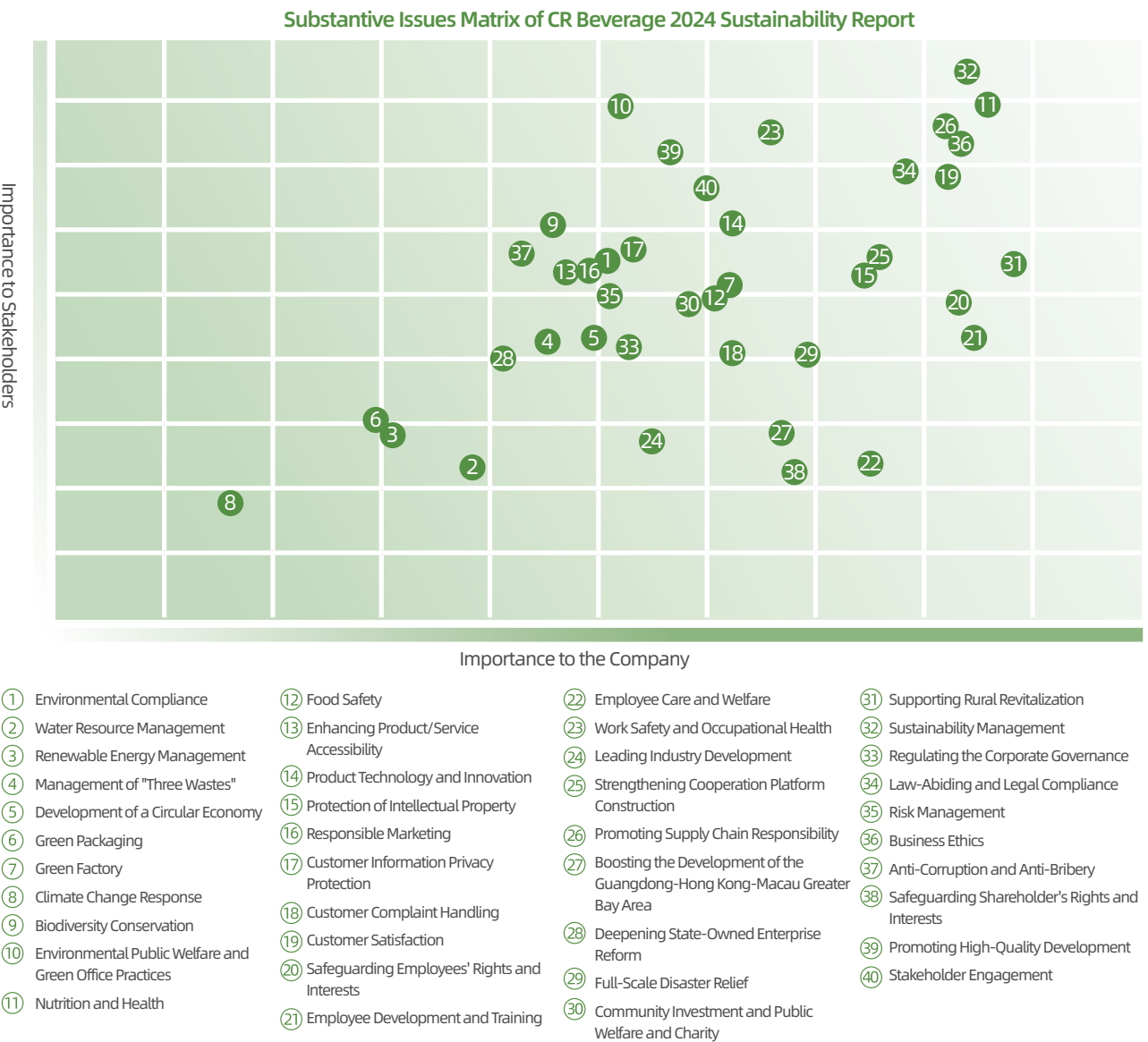
Stakeholder engagement

We have established a routine stakeholder engagement mechanism, actively and extensively communicating with stakeholders through various channels, including our official website, WeChat platform, 400 hotline, and surveys. By engaging with stakeholders, we are able to identify their concerns and expectations, which serve as essential references for improving and optimizing our sustainability management decisions and daily operations. This approach not only strengthens the Company's sustainability capabilities but also achieve win-win collaboration with all stakeholders.

Stakeholders	Communication Form or Content	Measures Taken in 2024
 Shareholders	<ul style="list-style-type: none"><li>Summary reports, information submission, company website, and special presentations</li></ul>	<ul style="list-style-type: none"><li>Held four regular board meetings, deliberating and passing 64 proposals (including written resolutions of the Board of Directors)</li><li>Updated and published industry information on the official website in a timely manner</li></ul>
 Government and Regulators	<ul style="list-style-type: none"><li>Establishing interactive mechanisms, promoting business development, supporting local economic construction</li></ul>	<ul style="list-style-type: none"><li>The headquarters received 50 visiting delegations throughout the year</li><li>Actively responded to national and regional development strategies</li><li>Continuously strengthened enterprise compliance management</li></ul>
 Employees	<ul style="list-style-type: none"><li>Safeguarding employees' rights and interests, providing career development opportunities, caring for employees</li></ul>	<ul style="list-style-type: none"><li>Fair and legal employment practices, care for employees' occupational health, and optimization of compensation and benefits systems</li><li>Developed a tiered and categorized course system, established promotion criteria and selection standards for various positions</li><li>Established an employee mutual fund to actively help employees in difficulty</li><li>Leveraging seven sports and cultural associations, a total of 287 activities such as ball games, yoga, and choir events were organized, encouraging employees to engage in their work with healthy bodies and positive mindsets</li></ul>
 Partners	<ul style="list-style-type: none"><li>Revising quality and safety management systems (SPM); Honoring contracts and maintaining credibility, equal cooperation, mutual benefit, establishing long-term stable relationships</li></ul>	<ul style="list-style-type: none"><li>Revised the SPM system, clarifying the three-tier structure of the SPM quality and safety management system documents</li><li>Signed <i>Integrity and Compliance Commitment Letter</i>, implemented "Transparent Procurement", and standardized supplier management.</li></ul>
 Industry Associations	<ul style="list-style-type: none"><li>Actively participating in industry association exchanges, supporting industry seminars and events related to drinking water and beverages</li></ul>	<ul style="list-style-type: none"><li>In 2024, CR Beverage continued to solidify and deepen its collaboration with over 30 professional industry associations (including their branches). The Company became a member of new associations such as the Hong Kong Chinese Enterprises Association and the Tea and Plant Beverage Branch of the China Beverage Industry Association. By enhancing communication and exchanges with these industry associations, the Company sought to explore more cooperation models and areas, aiming for mutually beneficial outcomes that promote win-win scenarios</li><li>Participated in more than 20 industry activities through online and offline formats</li></ul>
 Media	<ul style="list-style-type: none"><li>Strengthening exchanges with key media and portals, enhancing public opinion monitoring, promptly responding to expectations from all sectors regarding the Company</li></ul>	<ul style="list-style-type: none"><li>Participated in social responsibility exchange and sharing activities hosted by media outlets such as The Paper, New Weekly, Southern Newspaper Media Group, and Yangcheng Evening News Newspaper Group</li><li>Proactively provided external publicity materials and disclosed information through multiple channels</li></ul>
 Community	<ul style="list-style-type: none"><li>Leveraging the "Social Responsibility" section on the official websites of China Resources Group and CR Beverage to compile compiling and releasing sustainability reports</li></ul>	<ul style="list-style-type: none"><li>Timely release of social responsibility-related information to keep stakeholders informed about the progress of social responsibility initiatives</li><li>Actively participate in community building and organize volunteer activities</li><li>Continuously implement the "C'estbon Hundred Libraries Program", donating rural public welfare libraries</li><li>Support sports charity, promote public health</li><li>Conduct disaster relief efforts, promptly providing donations of drinking water to areas affected by disasters</li></ul>

Material Issues Management

To accurately understand and address stakeholder expectations and demands, and to clarify the focus areas for sustainable development practices and information disclosure, CR Beverage's Sustainable Development Committee initiated a systematic communication effort with stakeholders in 2024. This initiative involved distributing surveys via professional platforms. The process identified key issues that significantly impact the Company's sustainability efforts and are widely concerned by stakeholders, evaluated along two dimensions: "Importance to the Company" and "Importance to Stakeholders". Furthermore, the Company's management conducted a thorough review of the significance and prioritization of these materiality issues, while external experts evaluated and provided recommendations on these issues and their ranking. This collaborative approach ensures that the identified issues truly reflect both industry characteristics and those specific to the Company, culminating in a comprehensive matrix of material issues.



Information disclosure mechanism

Under the guidance of the Board of Directors and the Sustainable Development Committee of the Company, the headquarters office has taken a leading role in preparing the Report and disclosing information. A dedicated working group for report preparation was formed in collaboration with various business centers and functional departments. The preparation team makes every effort to ensure the effective progress of report preparation and information disclosure through regular meetings, ad hoc meetings, interviews, and other methods.



Social responsibility honors



*The 2023 Sustainability Report of CR Beverage*



received a five-star rating from the "Expert Committee for Rating Corporate Social Responsibility Reports of Chinese Enterprises"



CR Beverage



was named "Annual Innovative Enterprise" by Southern Daily



"C'estbon Hundred Libraries Program"



received the 2024 "Embroidery Spirit" New Era Role Model Rural Revitalization Innovation Project awards organized by Yangcheng Evening News



"C'estbon Hundred Libraries Program"



received the "Annual Sustainable Project" award at the 2024 Dream Building Public Welfare Conference hosted by Southern Weekend



CR Beverage



was awarded the "Annual Responsibility Practice Sustainable Development Award" by The Paper



CR Beverage



received the "China Enterprise Social Responsibility List - Social Innovation Contribution Award" from YICAI



The Ayi Choir One-for-One Support Program



received the "Public Welfare Award for Optimizing Life and Cultural Revitalization" in the New Weekly 2024 China Annual Newcomer List



CR Beverage



was honored with the Green Award at the 2024 Responsible Whale and Bull Awards



CR Beverage



won the Brand Value Award in the Bestone "9+2" Guangdong-Hong Kong-Macau Greater Bay Area presented by the Hong Kong Wen Wei Po



# Responsibility Story



## Sowing Seeds of "Hope" and Celebrating the Triumphs of Rural Revitalization

There exists a unique kind of library, not nestled within the vibrant core of an urban landscape, but rather, akin to seeds that have been sown and taken root over the span of 18 consecutive years amidst the serene rural mountains and lush fields. It aspires for each book unfurled to epitomize a journey across formidable summits and the triumphant conquest over myriad adversities.



# The "Hundred Libraries Program" progresses steadily, illuminating more children's dreams

"How to develop a reading habit?" "How to choose books that are suitable for oneself?" These questions were asked with enthusiasm by the children, fostering an engaging environment that deeply resonated with Mr. Lu Bing, the author of *The Spider's Shop* and a distinguished figure in children's literature. He not only addressed each child's questions with patience but also actively joined their discussions, sharing insights from his writing journey and guiding them on an exploration of the literary world.

This scene unfolds not in an urban school classroom or lecture hall, but in a rural public welfare library established by the CR Beverage's "C'estbon Hundred Libraries Program" (hereinafter referred to as the "Hundred Libraries Program") at the No. 6 Primary School in Guangchang County, Jiangxi Province. On a day in October 2024, Mr. Lu Bing conducted an engaging and dynamic "Joyful Reading Sharing Class" for the children. Through vivid storytelling and

interactive activities, he inspired the children to read more, think critically, and ignite their passion for reading and creative writing.

Mr. Lu Bing commented after the class, "This marks my third invitation from CR Beverage to participate in their revisit activities for the rural public welfare libraries established in different locations, where I have the privilege of delivering reading-sharing classes to local children. Through these reading-sharing events, I can perceive the children's profound thirst for knowledge reflected in their eyes. The 'Hundred Libraries Program' offers children dedicated reading spaces and provides them with valuable and exceptional books to them, granting them the wings to soar high, the brightest eyes to explore the world, and releasing fireflies into their hearts, those golden specks of light that will unknowingly settle within them, illuminating their inner worlds!"



Mr. Lu Bing interacted with the children in the "Hundred Pictures Reading Sharing Class"



Mr. Chen Nianxi taught students at the library of Jiatang Township Central Primary School in Haiyuan County

Meanwhile, thousands of miles away from Guangchang County in Jiangxi Province, on the loess plateau, a contemporary writer and poet Mr. Chen Nianxi, renowned as the "Miner Poet", was also invited by CR Beverage to visit Jiatang Township Central Primary School in Haiyuan County, Ningxia Hui Autonomous Region. During his visit, he shared his writing experiences with the children.

Mr. Chen Nianxi recalled, "Upon learning that I would be teaching rural children, I prepared an enlightenment class titled 'Never Stopping Reading'. This is a life lesson I have distilled over the years, and it embodies the belief I aspire to impart to every rural child." He hopes to share his own story with the children, illustrating that reading can transport us to distant places and reveal a broader world.

The library at Jiatang Township Central Primary School marks the fourth library donated by CR Beverage in Haiyuan County, and stands as the 244th rural public welfare library established nationwide with their support. During the establishment of each library, the team behind the "Hundred Libraries Program" has consistently sought ways to ensure that every book serves a meaningful purpose. The program has progressively evolved from

merely donating libraries to encompassing the overall design of library aesthetics, carefully selecting every table and chair, meticulously curating book lists, introducing enlightening classes led by renowned teachers, and conducting revisit activities on-site. These initiatives aim to achieve a dual enhancement of both "software" and "hardware", genuinely embodying the philosophy of "Reading Together, Growing Together" as envisioned in the "Hundred Libraries Program".

Since CR Beverage donated a library to Cao Wa School in Haiyuan County in 2023, the teachers humorously noted, "We are much busier now compared to before." However, what brings joy to the teachers despite their increased workload is the positive impact on the students. "Students now have the opportunity to read at any time, and we have implemented a variety of reading classes. The quantity and quality of the children's reading have significantly improved. Following their engagement with books or participation in reading classes, students actively partake in discussions, fostering an atmosphere of learning and sharing. These are the changes we as educators, most aspire to witness."



As of 2024, the "Hundred Libraries Program" has successfully established **247** rural public welfare libraries across **20** provinces, **5** autonomous regions, and **3** municipalities nationwide. This initiative has donated **over one million** books, benefiting **more than one million** children



# Singing for dreams, facilitating rural revitalization and fostering new growth

"I long for a pair of wings, to soar beyond this red earth, over mountains and seas, in search of another blue sky." This excerpt is taken from a new song titled "The Answer of Time" created by the Ayi Choir in collaboration with the C'estbon Choir.

The members of Ayi Choir are all students from the Wenshui Town Central School in Leibo County, Daliang Mountain. This choir consists of a dozen children who share a passion for singing, with over 70% of its members belonging to the Yi ethnic minority. Their living environment is surrounded by towering mountains, separating them from the hustle and bustle of the outside world. This recitation is not just a simple phrase, but also a cry of longing from children in mountainous areas for the outside world.

Fortunately, this yearning has not been muted by the tranquility of the mountains. CR Beverage has promptly and sensitively captured the aspirations of these children. In 2022, CR Beverage's "C'estbon Hundred Libraries Program" was introduced at Wenshui Town Central School in Leibo County, Daliang Mountain, where we donated a public welfare library and constructed a brand-new basketball court along with rubber track. Since then, the employee volunteers of the Company have been profoundly inspired by the angelic voices of the Ayi Choir. In 2023, we

expanded our reading classes to include music appreciation and aesthetic education-themed classes. We also established a three-year One-for-One Support Program with the Ayi Choir, aiming to assist children to leave their homes in the mountain and to enable more people from further world to hear the ethereal voices from Daliang Mountain.

"One photograph captures our performance on stage at the National Grand Theater, while the another captures us in front of Tiananmen Square." Heilaila, a Yi girl from Ayi Choir, excitedly shared with us the gifts she received on Children's Day last year. As she had hoped, she found herself standing on a larger stage and experiencing a broader world.

In May 2024, Hei Lailaze and her choir members traveled from Daliang Mountain to Beijing. With the support and companionship of CR Beverage, they performed the adapted Yi folk song, "Ayi's Wings" on the stage of the National Centre for the Performing Arts alongside more than 2,000 young people from across the country. During the themed performance titled "Growing Up with My Country", their pure and childlike voices deeply resonated with every audience member.



Ayi Choir performed at the National Grand Theater for the performing arts



The Ayi Choir witnessed the flag-raising ceremony at Tiananmen Square

The Ayi Choir performed on stage together with the Tiankong Choir

The performance at the National Center for the Performing Arts held profound significance for Heilai Laze. At the age of just 11, she used to be somewhat reserved. However, over the past two years since joining the choir, she has gradually overcome her awkwardness and shyness through singing and collaborative teamwork. From her first formal performance on stage at China Resources Hope Town in Nanjiang County, Sichuan Province—where she experienced a moment of blankness—to confidently singing on the stage of the National Center for the Performing Arts a year later, her eyes now reflect increasing determination and confidence. More importantly, she learned how to embrace life with confidence.

Mr. Jiwa Genfu, the principal of Wenshui Town Central School, said, "The influence of the choir has permeated throughout the entire school and even extended to Leibo County as a whole." After their performance at the National Center for the Performing Arts, the children of the Ayi Choir embarked on an eight-day study tour. They were also invited to participate in the "Singing Beauty in Rural Areas Together" public welfare music

event organized by the China Resources Charity Foundation and the Tiankong Choir from Central China Normal University. These enriching learning and performance opportunities have profoundly reshaped the children's perceptions of a world beyond their mountainous surroundings, inspiring them to set higher aspirations on their journeys of learning and knowledge acquisition.

Whether through the rural public welfare libraries established by the "Hundred Libraries Program", or our enriching journey with the Ayi Choir, we have always maintained that while undertaking a single right action is not particularly difficult, the true challenge lies in consistently doing what is right. Just as conveyed in "The Answer of Time", time will reveal the answer through effort and dedication. In the future, we will continue to uphold our original aspirations, adhere to a long-term perspective, engage with more public welfare initiatives, explore diverse and innovative approaches to empower rural education, promote rural revitalization, and witness a prosperous China together.



# Governance

## Seeking Progress while Maintaining Stability, Empowering Sustainable High-Quality Development

CR Beverage adheres to the overall work tone of seeking progress while maintaining stability, viewing governance as the cornerstone of the Company's steady development. It has established a governance structure with clear responsibilities and scientific decision-making, set up a comprehensive and multi-dimensional risk prevention and control system, and vigorously strengthening anti-corruption and integrity promotion efforts. Meanwhile, it continues to reinforce the safety production line, actively explores innovative paths, accelerates the development of new productive forces, and steadily advances in the fierce market competition, providing strong support for achieving high-quality and sustainable development of the enterprise.

### Materiality issues

Regulate the Corporate Governance, Protect Shareholders' Rights and Interests, Law-abiding and Legal Compliance, Risk Management, Business Ethics, Anti-Corruption and Anti-Bribery, Work Safety and Occupational Health, Product Technology and Innovation, Protection of Intellectual Property, Promote High-Quality Development

### Chapter performance

- Held **4** regular board meetings, approving **64** motions (including written resolutions of the Board of Directors)
- Conducted **4** "Overall Supervision" work meetings
- **No** litigation cases involving embezzlement or bribery occurred
- Invested RMB **4.47** million in work safety
- Conducted **15** comprehensive emergency drills and **112** specialized drills
- Invested RMB **53.354** million in R&D investment
- Continuously recognized the Company's core trademarks as China's well-known trademarks, with an addition of **21** new patents

### SDGs issues involved in this chapter



### Goal setting

- Further delineate the boundaries of authority and responsibility for each governance body, while continuously improving the corporate governance mechanism characterized by "statutory authority and responsibility, transparency in authority and responsibility, coordinated operation, and effective checks and balances"
- Conduct annual risk assessments and monitoring, focusing on major risk management
- Organize annual internal control evaluations, promote the rectification of internal control deficiencies
- Achieve compliance with quantified work safety indicators
- Continuously improve the science and technology innovation system, reviewing and strengthening the institutional framework supporting scientific and technological innovation
- Leverage digitalization to facilitate the application and promotion of digital and intelligent technologies in marketing and supply chain operations, thereby enhancing the digital coverage of key business processes
- Protect the Company's core brands and optimize patent layouts

### Progress review

- Conducted major risk assessments and monitoring, with **no significant risk events** occurring throughout the year
- Organized internal control evaluations, developed corrective measures for identified internal control deficiencies, achieving a **100%** completion rate for rectifications
- **Zero** incidents of general or higher-level work safety accidents or events
- Achieved **100%** compliance with work safety standards in self-owned factories
- Continuously recognized the Company's core trademarks as well-known trademarks in China, strengthening legal protection for core brands and maintaining their market value

### Improvement plans

- Further improve the information support and governance assurance mechanisms to aid directors in making evidence-based decisions while institutionalizing oversight enablement systems for board fiduciary duties
- Continuously conduct annual major risk assessments and monitoring
- Deepen annual internal control evaluations, promoting the implementation of corrective measures for internal control deficiencies
- Establish and refine job-specific EHS responsibilities and detailed task lists. Encourage all staff members to sign the QEHS Responsibility Commitment, thereby reinforcing the adherence to work safety responsibilities
- Develop patent portfolios and conduct patent mining around the Company's business activities, submitting patent applications to broaden the protection scope of the Company's intellectual labor achievements



# Responsibility Topic

02460.HK: A New  
Start, A New Journey

For CR Beverage, the year 2024 is exceptionally significant. At the important historical juncture of its 40th anniversary, the Company successfully listed on the HKEX. This represents a major strategic choice for CR Beverage as it enters a new era and propels forward with fresh development initiatives. Furthermore, it stands as a remarkable milestone in the Company's development journey.

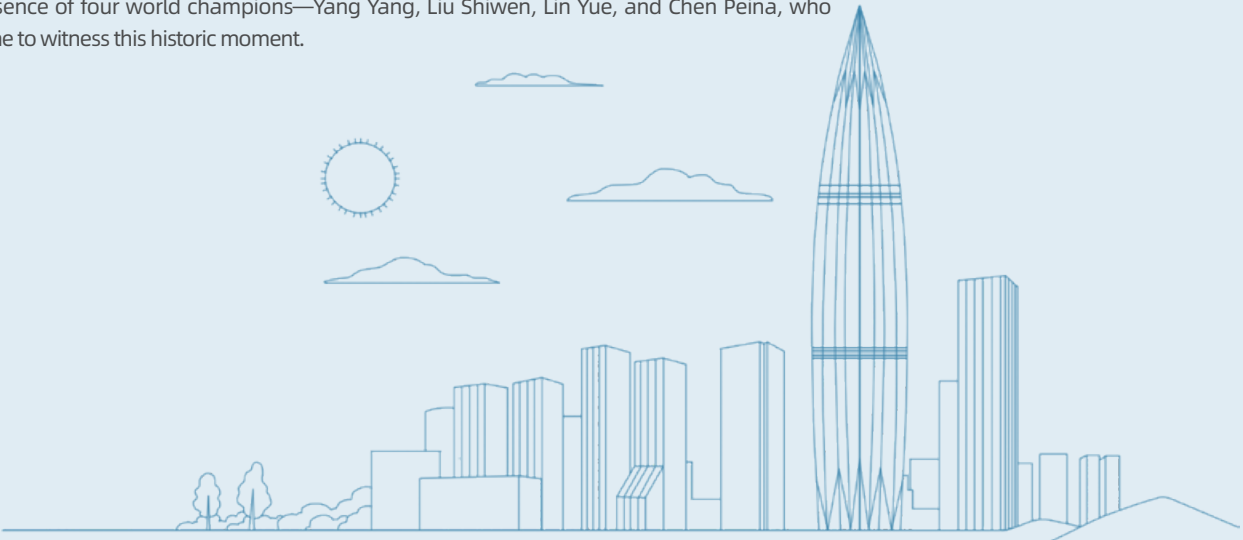


On October 23, 2024, CR Beverage (02460.HK) was officially listed on the Main Board of the Hong Kong Stock Exchange

## Successful Listing on the HKEX, Embarking on a New Capital Market Journey

At 9:30 AM on October 23, 2024, Wang Xiangming, Chairman of China Resources Group, and Zhang Weitong, Chairman of the Board of Directors of CR Beverage, jointly rang the bell to mark the listing at the Hong Kong Stock Exchange. CR Beverage (2460.HK) was officially listed on the HKEX, marking it as the 18th company under China Resources Group to go public. Present at the listing ceremony were Wang Xiangming, Chairman of China Resources Group, Lan Yi, Deputy General Manager of the Group, heads of various departments within the Group and CR Beverage, members of the sponsor team, cornerstone investors, intermediaries, partners, media representatives, and other relevant parties. The ceremony was further honored by the presence of four world champions—Yang Yang, Liu Shiwen, Lin Yue, and Chen Peina, who came to witness this historic moment.

Marking it as the  
**18<sup>th</sup>** company under  
China Resources Group to go public



“This year marks the 40th anniversary of CR Beverage. The listing on the Main Board of Hong Kong Stock Exchange signifies our official entry into the international capital arena, marking another significant milestone in the Company's history. Looking ahead, China Resources Beverage is committed to seizing opportunities, continuously optimizing corporate governance, actively promoting development, and creating greater value to achieve shared and sustained success with shareholders, customers, employees, and society.”  
——Zhang Weitong, Chairman of the Board of Directors of CR Beverage”



Four world champions, Yang Yang, Liu Shiwen, Lin Yue and Chen Peina, attended the listing ceremony of CR Beverage

On the day of its successful listing, five mainstream Hong Kong media outlets, namely Ta Kung Pao, Sing Tao Daily, Hong Kong Economic Journal, Ming Pao and Sing Pao, simultaneously published congratulatory articles on their front pages. These articles highlighted CR Beverage's listing process, development achievements, and future prospects. The coverage garnered significant attention from many investors, industry professionals and consumers alike. This positive reception signals that CR Beverage is progressing steadily and possesses a promising future. Such developments lay a solid foundation of public opinion for the Company's subsequent growth in the capital market.



Several mainstream media in Hong Kong published congratulatory articles on the front page on the day of CR Beverage's listing



# Four Decades of Steadfast Progress, Building a Strong Foundation for Development

Over the years, CR Beverage has continuously strengthened its foothold in the ready-to-drink soft beverage market. On one hand, centered around its flagship brand C'estbon, the Company implements a multi-category strategy characterized by "one dominant brand with multiple strong brands". It constantly enriches its water varieties and expands product specifications, thereby creating a comprehensive matrix of packaged drinking water products that covering a wide range of consumption scenarios including outdoor activities, home use, business settings, dining, and sports. On the other hand, CR Beverage actively expands its portfolio of other beverage brands and product series, which includes "Zhi Ben Qing Run", "Mi Shui Series", "Holiday Series", and "Zuo Wei Cha Shi", among others. The Company currently owns many brands, successfully establishing its leading positions across multiple core categories within China's ready-to-drink soft beverage industry.

Embracing the vision of "Better and stronger: to become a world-class beverage enterprise", we have consistently provided consumers with high-quality, healthy, and satisfying products for forty years, adhering to rigorous standards. We have pioneered the SPM Quality Management System: S—Suppliers, P—Production, M—Market, which encompasses a comprehensive quality management framework spanning the entire supply chain. By leveraging advanced production technologies and implementing effective water source management measures, we continuously reinforce our brand image as "Healthy, Safe, and Professional," making C'estbon as a trusted choice among consumers.



Image of the CR Beverage product portfolio

"Even the aroma of wine is wary of deep alleys". This adage underscores our understanding that exceptional products require effective channels for rapid market penetration. Guided by our strategy of "delicate cultivation for triumphing at the end market", we have established a robust, efficient, and comprehensive sales and distribution network that spans the entire country. We place great emphasis on expanding new sales channels, aiming for full coverage of mainstream e-commerce platforms in China. Furthermore, we have devised a variety of marketing strategies that particularly capitalize on the strong correlation between packaged drinking water consumption and sports activities. By strategically implementing sports marketing initiatives, we are able to reach a broader audience while promoting a healthy and active lifestyle.



C'estbon Purified Water production line

With a **3.5%** CAGR over the three-year period

Delivering a robust **29.6%** CAGR



CR Beverage adopts sports marketing strategy to reach a broader audience

After four decades of development, CR Beverage has grown into a leading company in China's packaged drinking water industry. From 2022 to 2024, CR Beverage achieved revenues of approximately RMB 12.623 billion, RMB 13.515 billion, and RMB 13.521 billion, respectively, with a 3.5% CAGR over the three-year period. During the same period, annual profits reached RMB 989 million, RMB 1.331 billion, and RMB 1.661 billion, delivering a robust 29.6% CAGR. Net profit margin rose from 7.8% in 2022 to 9.9% in 2023, and further improved to 12.3% in 2024.

While generating economic benefits, we have consistently adhered to the philosophy of "brand as the foundation, responsibility first". We actively respond to national policies, fulfill our social responsibilities, promote social welfare, and promote green and sustainable development. As a result, we have received widespread acclaim and recognition from all sectors of society.

The successful listing of CR Beverage not only underscores the value of our brand but also exemplifies the robust growth within the drinking water industry. As we look towards future development opportunities, CR Beverage is committed to proactively expanding production capacity, enhancing R&D capabilities, and strengthening market promotion efforts. We will further optimize our supply chain and develop differentiated market offerings to continuously expand our market share and enhance the influence of our brand. With unwavering commitment, we will steadily forge ahead our vision of becoming a world-class beverage enterprise.

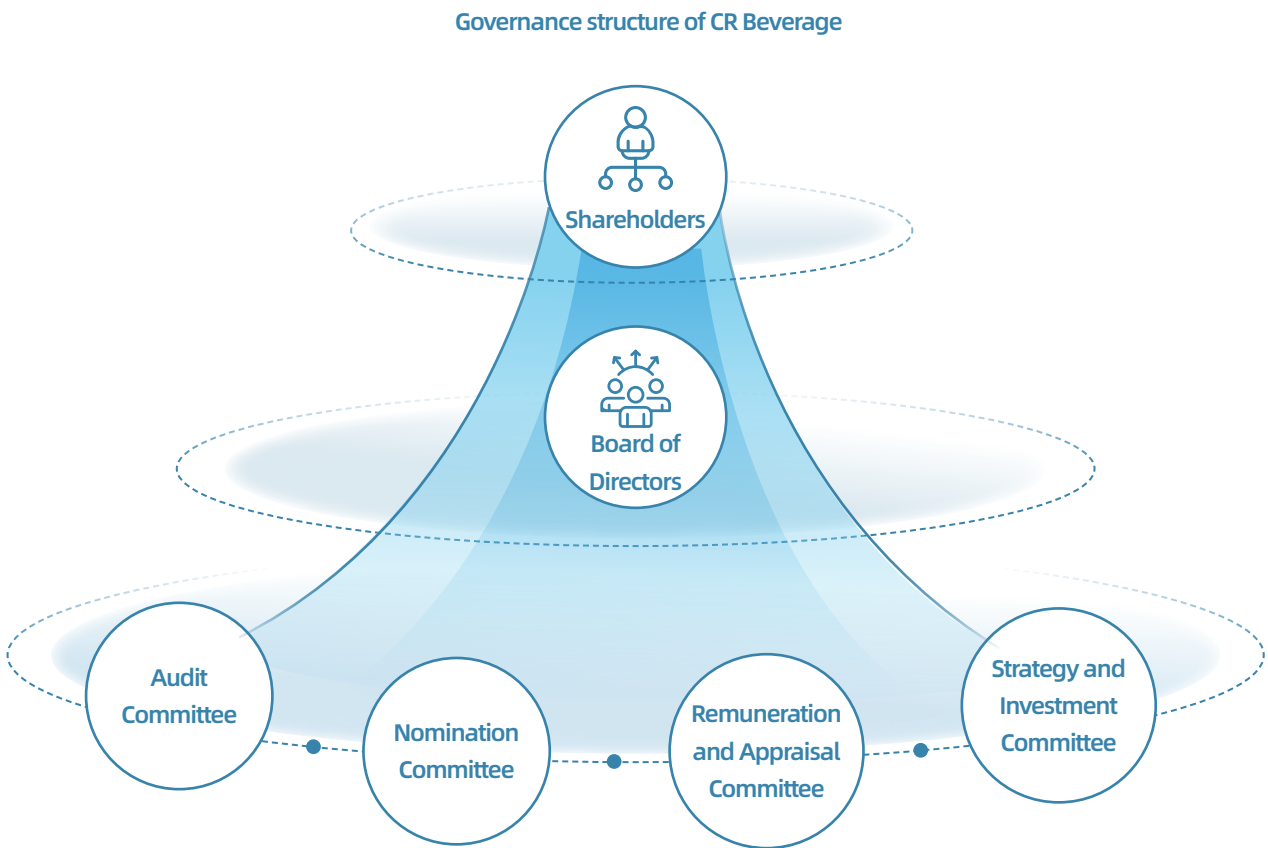
# Regulating the corporate governance

## » Improving governance systems

CR Beverage has undertaken a comprehensive revision of several institutional documents to ensure compliance with relevant laws and regulations, regulatory requirements, and the Company's articles of association. The revised documents include the *Board of Directors Authorization Management System*, *Rules for the Chairman to Exercise Board Authorizations*, *Procedural Rules of the Board of Directors*, *Procedural Rules of the President Meeting Board*, *List of Board and Board-Authorized Decision-Making Matters*, and the *CR Beverage Directors Management Measures*. These revisions are designed to strengthen the mechanisms through which the Chairman and President regularly report to the Board of Directors on the status of decisions made under delegated authority. This process aims to ensure scientific authorization, improve the decision-making quality and efficiency, and facilitate effective tracking and monitoring of authorized decisions.

## » Board of Directors and Committees

As the decision-making body responsible for the Company's operation and management, the Board of Directors plays a crucial role in "setting strategies, making decisions, and preventing risks" in accordance with the statutory functions and powers outlined in the *Articles of Association* of the Company. The Board of Directors of CR Beverage comprises 12 members, including 3 executive directors, 5 non-executive directors and 4 independent non-executive directors, with external directors representing 75% of the total membership. In 2024, building upon the foundation of the original Remuneration and Appraisal Committee, we set up three special committees, namely the Audit Committee, the Strategy and Investment Committee and the Nomination Committee. This initiative aims to further improve the governance structure of the Company and to facilitate an orderly execution of the responsibilities assigned to the Board of Directors.



## » Independence of the Board of Directors

The Board of Directors of CR Beverage comprises four independent non-executive directors with profound professional background and substantial practical experience in the fields of finance, law and strategic management, representing one-third of the Board, providing multi-dimensional professional support for the Company's major decisions. Within the Board of Directors, the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee that set under the Board of Directors, are predominantly composed of independent non-executive directors. Members of the independent non-executive directors also serve as the chairmen of the Audit Committee and the Remuneration and Appraisal Committee, respectively. This structure ensures an independent and impartial decision-making process, thereby further enhancing the transparency of the Company's governance.



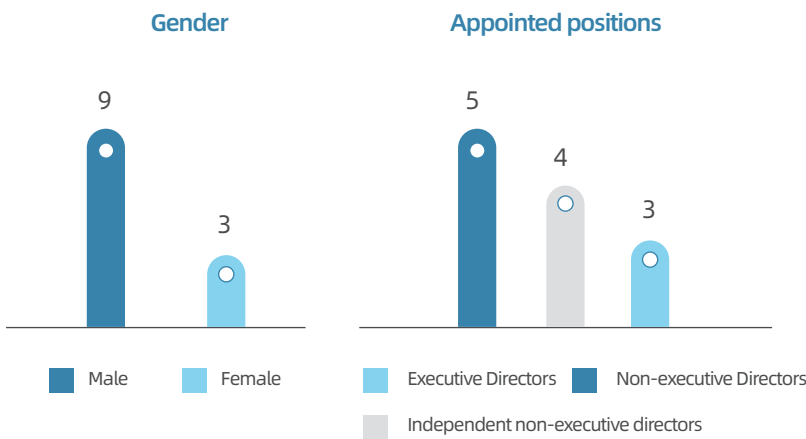
External directors conduct research at Yixing factory



External directors conduct market research in Wuhan

## » Diversity of Board of Directors

In accordance with the Board of Directors' diversity policy, CR Beverage considers various factors including but not limited to gender, age, cultural and educational background, industry experience, technical competence, professional qualifications and skills, knowledge, tenure and other relevant factors in terms of the selection of candidates. The final selection is based on the strengths of the candidates and their potential contributions to the Board of Directors. The Board of Directors comprises three female directors and nine male directors, achieving a balanced representation of genders, knowledge and skills (including but not limited to knowledge and experience in various areas such as the food and beverage industry, business operations and management, business expansion, legal experience, auditing, human resources and finance).



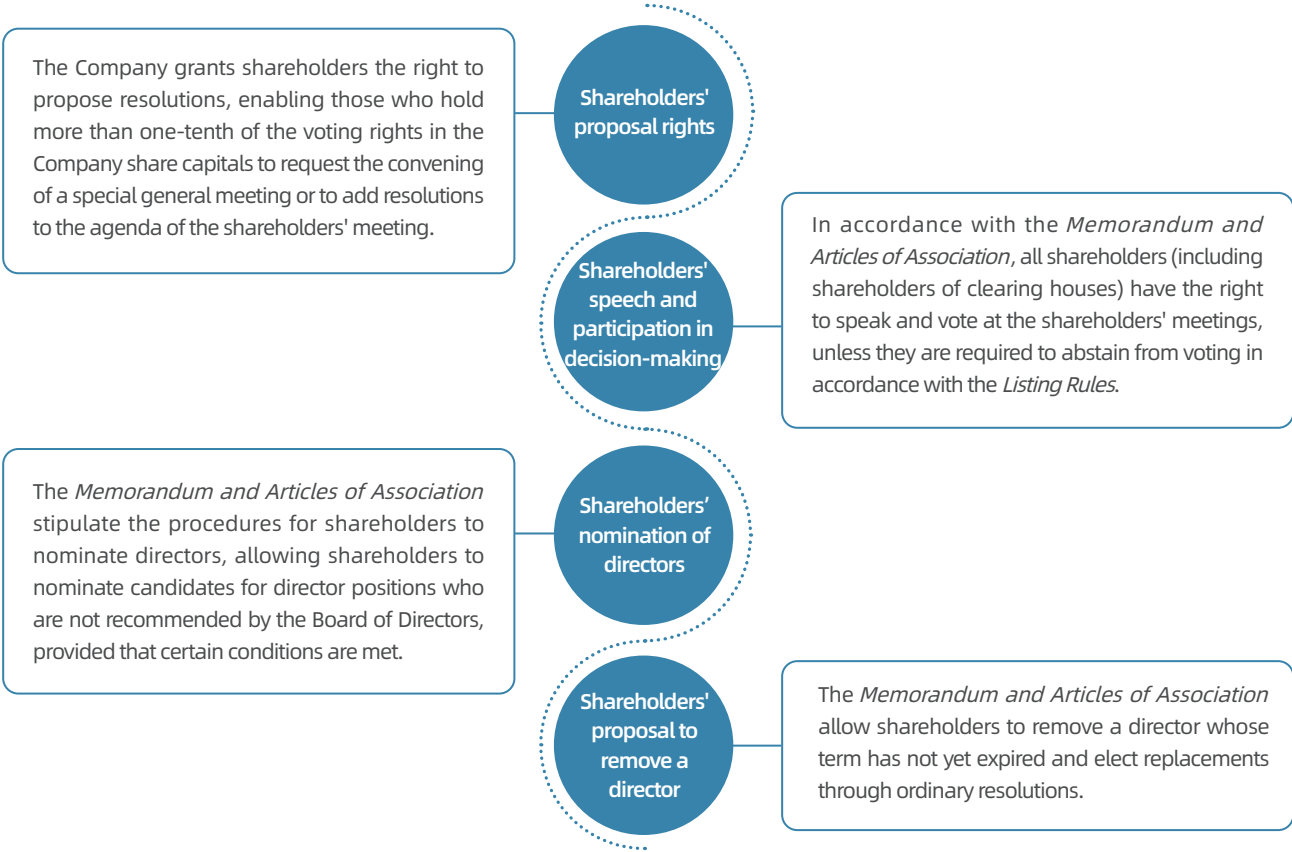
## » Transparency of directors and executives remuneration

According to the *Listing Rules*, the *Securities and Futures Ordinance*, and other relevant regulations, CR Beverage provides disclosures regarding information on the securities of the Company, securities of associated corporations, and related rights and interests held by the major shareholders, directors, and top executives of the Company in the annual report and interim report. The Company also regularly reminds its directors and top executives to promptly and proactively report any changes in these rights and interests to the Hong Kong Stock Exchange and the Board of Directors. This practice ensures a high level of transparency concerning the ownership structure and the rights and interests held by the members of the Board of Directors. Furthermore, details regarding the Company's relevant remuneration policy of directors and specific remuneration data are included in its annual report that is disclosed on a regular basis.



Protecting investors' rights and interests

>> Protecting shareholders' rights



**Investor contact**

**Headquarters and principal place of business in China:** Shenzhen High-tech Industrial Park (North District), 22 Langshan Road, Nanshan District, Shenzhen, Guangdong Province

**The Company's website:** <https://en.crbeverage.com>

**Email:** [yb\\_ir@crbeverage.com](mailto:yb_ir@crbeverage.com)

>> Emphasizing the management of investor relations

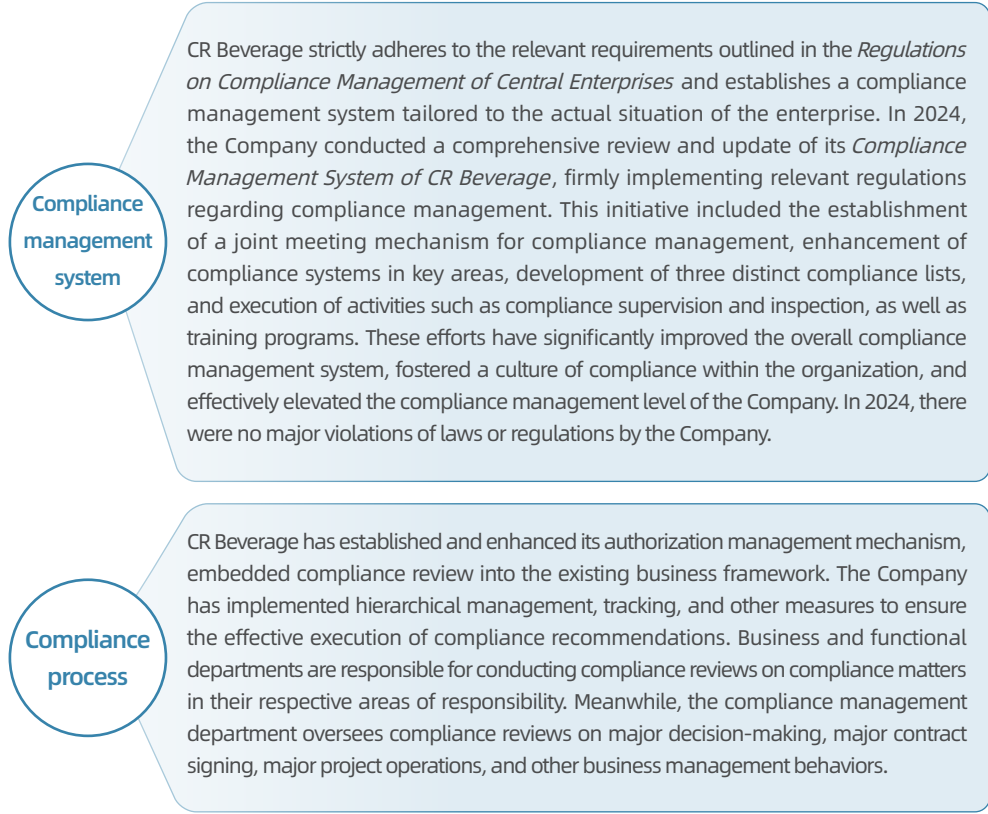
CR Beverage has established an Investor Relations Department, which is responsible for the maintenance and management of investor relations, information disclosure oversight, capital market research, and more. This department continuously strengthens communication with investors and analysts to enhance their understanding and recognition of the Company within the capital market, ultimately increasing the overall value of the Company; The communication with investors and potential investors is strengthened through online and offline interactions, effective handling of inquiries, timely information disclosure, and related activities. A series of communication meetings with investors are organized, and information disclosure documents are released in a timely manner to enhance investors' and analysts' understanding of the company and to protect investors' right to know.

>> Standardizing information disclosure

CR Beverage strictly adheres to the requirements set forth in the *Listing Rules* and adheres to its guidelines. The Company establishes multiple effective communication channels based on the principles of truthfulness, accuracy, timeliness, and reliability. It discloses major events of the Company to enhance investors' understanding and recognition of the Company. The Company prepares and publishes relevant disclosure documents, regularly updates the investor relations management section on its official website, and promptly discloses pertinent information about the Company. In 2024, the Company continued to fulfill its obligations regarding information disclosure as a listed company, issuing a total of 21 disclosure documents (including 9 interim announcements).

Strengthening risk management

>> Adhering to law-abiding compliance



In 2024, there were  
**no major**  
violations of laws or regulations by the Company

>> Strengthening risk management and control

CR Beverage continues to strengthen its risk management and control, improve the long-term mechanism for early detection, early warning and early disposal of major operational risks. The Company establishes a firm bottom-line thinking on risk, focus on major risk management, strengthen the assessment and monitoring of major operational risks, and gradually sort out the core risks in important business areas based on the actual situation of the Company to continuously improve the risk prevention and control level.

In light of the changes in both the internal and external environment and with a focus on the development strategy and business objectives, in 2024, the Company has comprehensively identified and anticipated major risks for 2024 that may be faced through a "bottom-up and top-down" approach and implemented dynamic prevention and control measures by clarifying the risk prevention and control objectives and assigning responsible parties, enhancing research and judgment regarding risk trend, continuously monitoring changes in risk, and improving the internal control management. As a result, there were no significant risk events in 2024 that impacted the achievement of our business objectives.

In 2024, there were  
**no significant**  
risk events that impacted the achievement of our business objectives



» Promoting the construction of internal control

CR Beverage has developed and implemented the *Internal Control Management System* in accordance with the *Basic Standards for Internal Control of Enterprises* and its application, evaluation criteria, and other relevant regulations. This system is tailored to align with the scale of the Company and the specific characteristics of the industry. It delineates the responsible parties and authorities involved in constructing, supervising, and evaluating the internal control system. Additionally, it mandates an annual self-evaluation of internal controls to ensure ongoing effectiveness.

» Implementing the lowering of "two funds"

CR Beverage continues to implement the requirements of the State-owned Assets Supervision and Administration Commission and the Group for the lowering of "two funds", focusing on risk management and control, and actively promotes the lowering of "two funds". By carrying out special actions for the clearing of long-aged accounts receivable, optimizing system accounting period control, and strengthening daily supervision and inspection tracking, the Company has further advanced the lowering work. Since 2022, the Company has conducted centralized rectification and special clearing of long-aged accounts receivable, increased efforts to clear problematic accounts, and significantly reduced the stock of long-aged accounts receivable. In the past three years, a total of RMB 12 million of stock long-aged accounts receivable in 2021 has been cleared, representing a reduction of 96%.

A total of  
RMB 12 million  
of stock long-aged  
accounts receivable in  
2021 has been cleared  
over the past three years

Representing a  
reduction of  
96%

Strengthening anti-corruption  
and upholding integrity

» Building an "Overall Supervision" system

CR Beverage has further improved its "Overall Supervision" mechanism, actively promoting the execution of supervisory functions across various entities, including discipline inspection, patrol, audit, finance, and legal department. The company has developed 97 supervision checklists to facilitate this process. In 2024, a total of four "Overall Supervision" work meetings were convened to strategize and advance related initiatives. During these meetings, various supervisory entities submitted a total of 45 problem clues to the discipline inspection department for further investigation.

At the same time, CR Beverage keeps an eye on key areas such as commercial sales, bidding procurement and engineering construction, intensifies supervision efforts, and sends integrity reminders to all units before important time nodes such as traditional holidays. It also carries out special governance against violations to solidly prevent corruption risks. In 2024, the Company did not encounter any litigation cases involving corruption or bribery.

In 2024, a total of 4  
"Overall Supervision"  
work meetings were  
convened to strategize  
and advance related  
initiatives

The Company did  
not encounter  
any litigation cases involving  
corruption or bribery

» Strengthening supervision and management

CR Beverage is committed to improving its operational quality, strengthening the governance system, reinforcing the supervision defense line firmly, and creating a favorable environment by fulfilling its audit supervision responsibilities and coordinating accountability investigations into non-compliant business operations and investment activities. This approach aims to provide value-added services for the implementation of the Company's strategic goals.



» Carrying out internal inspections

CR Beverage focuses on the fundamental task of implementing the "two safeguards", conducts inspection and supervision centered around the Group and Company requirements. The Company scientifically plans, researches and formulates its inspection work plan. It has efficiently organized and coordinated two rounds of internal inspections while enhancing guidance throughout each phase of this process. This approach has ensured that inspections yield practical measures with tangible results, thereby improving both quality and efficiency in supervision.

» Improving the whistleblowing mechanism

CR Beverage has established a smooth and clean whistleblowing reporting channel, publicly disclosing information such as the whistleblowing mailbox and hotline on its official website, and accepting the extensive supervision of the whole society. Whistle-blowers can report violations of integrity-related behaviors by employees of CR Beverage and its subsidiaries through various means, including letters, visits, calls and the Internet, to ensure the compliant, healthy and stable development of the Company.

The Company strengthens the protection of the whistle-blower's information. The discipline inspection department has designated personnel responsible for managing letters, visits and problem clues. They strictly enforce the confidentiality system, which stipulates that relevant personnel are not allowed to privately retain, conceal, consult, extract, copy, and carry letters, visits, problem clues and case-related materials. The scope of knowledge of letters, visits, and problem clues is strictly controlled, and efforts are made to prevent any leakage, loss or disclosure of confidential information.

» Building a culture of integrity

CR Beverage has effectively advanced the establishment of a culture of integrity tailored to its specific circumstances. The Company has conducted 3 warning education conferences for all employees of the Company, and actively organized over 8 compliance training sessions focused on anti-commercial bribery, protection of consumer rights, and listing compliance. These initiatives have engaged all management-level employees as well as grassroots employees in key positions of the Company. At the same time, CR Beverage has proactively promoted integrity publicity at the grassroots level by holding more than 40 integrity publicity sessions across various sales regions and factories operating at different levels and in diverse fields. With over 3,000 participants involved, these efforts aim to guide employees in fostering a culture of integrity and self-discipline.

In addition, CR Beverage organized 5 supplier training and exchange meetings, involving anti-corruption and system promotion, with nearly 1,000 participants, achieving full coverage of training for cooperative suppliers of productive materials.

Whistleblowing Channels for Integrity Violations



Reporting Email: ts.yb@crbeverage.com

Reporting Hotline: 0755-86620524

Mailing Address: CR Beverage Discipline Inspection Department, Shenzhen High-tech Industrial Park (North District), 22 Langshan Road, Nanshan District, Shenzhen, Guangdong Province



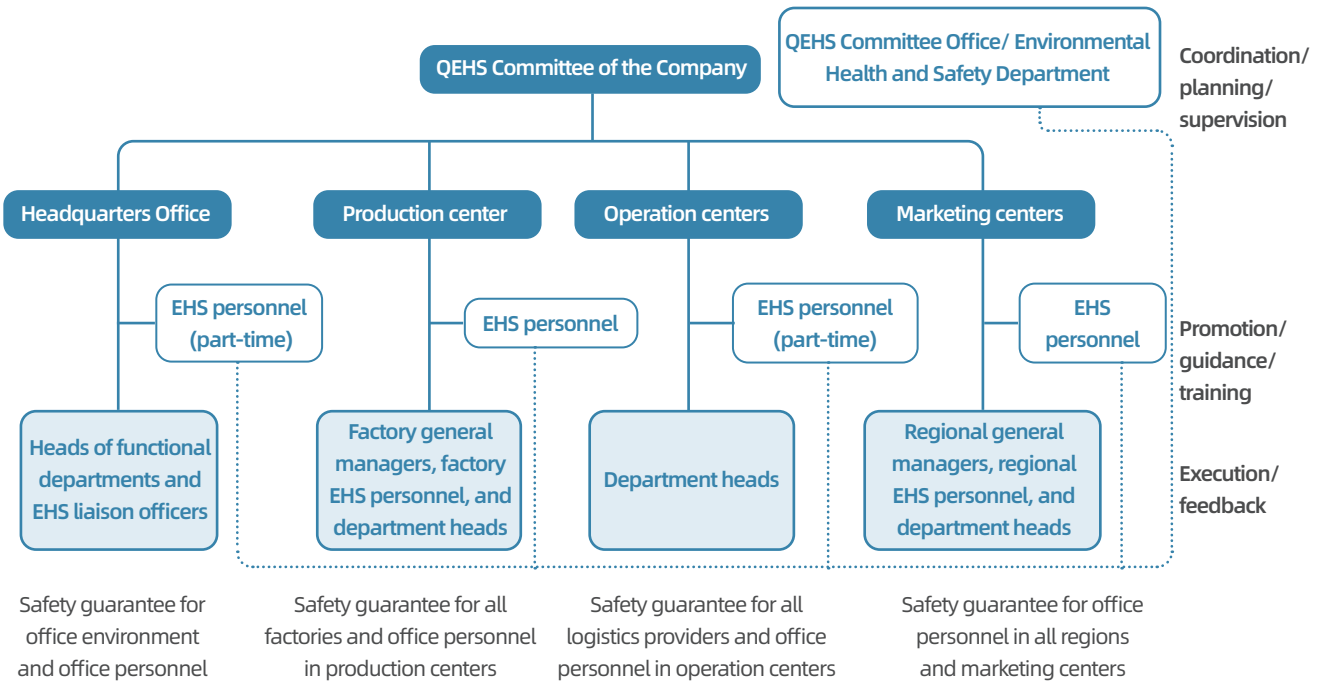
CR Beverage carries out "New Employee Warning Education Publicity"

- Has conducted **3** warning education conferences for all employees of the Company
- Has organized over **8** compliance training sessions
- Has promoted **more than 40** integrity publicity sessions
- With over **3,000** participants involved

Strengthening the Safety Baseline

» Safety production management

CR Beverage strictly abides by relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The company has established a QEHS committee that implements a work safety responsibility system. This system clearly delineates the responsibilities of management personnel and employees at all levels. It facilitates the enhancement of the EHS management system and operational procedures. The *CR C'estbon Quality, Environmental Health and Safety System* and related standards/specifications are revised and issued to ensure standardized employee health and safety management. Regular work safety meetings are held to analyze the work safety situation and study and solve major issues.



» Enhancing emergency response capabilities

CR Beverage adheres to the principle of "prioritizing prevention and integrating prevention with emergency response". The Company comprehensively identifies various risks associated with emergencies, optimizes its comprehensive emergency plans, and enhances both its applicability and operability. In 2024, units at all levels revised the comprehensive emergency plan 14 times, conducted 15 comprehensive emergency drills and 112 specialized drills, ensuring that necessary emergency rescue personnel and supplies were readily available. These included rescue stretchers, AED (automatic external defibrillators), positive pressure air respirators and gas monitors, all aimed at facilitating rapid response to emergencies.



Fire emergency evacuation drill

» Identifying and eliminating potential safety hazard

CR Beverage has established a safety hazard investigation and management system, conducting regular safety hazard inspections on a monthly basis to ensure the timely detection and resolution of potential risks. In 2024, a total of 2,613 hidden hazards were identified and accurately documented. The findings regarding the investigation and remediation efforts were communicated to relevant personnel to ensure that the responsibility for hidden hazard rectification was assigned to specific personnel in designated positions, with an emphasis on completing rectification tasks within stipulated timelines. In the EHS inspection work in 2024, the Company conducted strict supervision and inspection on grassroots factories, discovering a total of 300 problems and achieving a 100% completion rate of rectification. A total of 488 special safety inspections were carried out by grassroots units, and 2,313 safety hazards were found and thoroughly rectified, realizing the closed loop of safety hazard rectification.

A total of  
**488**  
special safety  
inspections were carried  
out by grassroots units

» Consolidating data security

CR Beverage has established and improved the network security protection system. By deploying data leakage prevention system, strict control has been established over information outlets such as e-mail, Internet outlets, and office computer terminals, thus ensuring the security of various core commercial confidential data. CR Beverage actively carries out the evaluation of the information system level protection, the penetration test of the information system, and the on-line review. It strictly implements the relevant personal privacy protection requirements of the country, the Group and the Company, ensuring that the collection, transmission, storage, use and destruction of personal information are legal and compliant. CR Beverage regularly conducts confidentiality checks and personnel network security and confidentiality awareness training to enhance employees' awareness of confidentiality and network security protection. In 2024, no major data security incidents occurred.

In 2024,  
**no major**  
data security incidents  
occurred

» Fostering a safety culture

To firmly establish the concept of safety development, CR Beverage plans and organizes a series of activities such as Occupational Health Publicity Week, Work Safety Month and Fire Awareness Month. These activities aim to guide employees in learning safety-related knowledge, including work safety laws and regulations and occupational health protection, further enhancing their safety awareness and strengthening the safety defense line.



Traffic Safety - Defensive Driving Training



During the Occupational Health Publicity Week, **107** themed lectures and **111** warning education activities were conducted, with a total of **14,014** trainees, effectively enhancing employees' awareness of occupational health protection and self-protection capabilities.



During the Fire Prevention Awareness Month, factories and sales regions organized fire emergency drills, with a total of over **1,500** participants, effectively enhancing employees' awareness of fire safety and their ability to handle emergencies.



During the series of activities for the Work Safety Month, **1,934** themed promotions were organized, with a total audience of **9,900** people, and **639** people participated in video learning themed with work safety. This greatly enhanced employees' safety awareness and skill levels.



CR Beverage has published a total of **9** special issues focused on EHS publicity, including **4** issues of posters, **4** issues of EHS extracts and **1** manual, providing employees with rich EHS knowledge and information, and enhancing their awareness of safety and environmental protection.

Developing new quality productive forces

» Accelerating scientific and technological innovation

Management innovation

CR Beverage has established a series of management systems, such as *Management Measures for Scientific and Technological Innovation of CR Beverage* and *Incentives Guidelines for Scientific and Technological Innovation of CR Beverage*. These frameworks are designed to standardize the management of technology projects, technological innovation planning, technological achievement oversight, technological statistics management, and innovation incentives. Additionally, the Company has collaborated with its parent organization to conduct a special survey on technological innovation, resulting in the launch of an *Action Plan for Scientific and Technological Innovation and Development (2024-2026)*. In 2024, CR Beverage actively engaged in independent R&D initiatives such as new product development, sustainable development, basic technology research, and cutting-edge technology research, with an R&D investment of RMB 53.354 million.

With an R&D investment of  
RMB  
**53.354** million



## Technological innovation

Relying on its own industrial scenarios and advantages in new-generation information technology innovation, CR Beverage has successfully developed and piloted an AI-based real-time photo recognition system for display management at the sales end, effectively achieving real-time feedback for display activities.

CR Beverage utilized AI technology to address the challenges related to the difficult recognition and error-prone dot matrix QR codes on transparent film packaging, effectively ensuring the smooth implementation of production planning for transitioning from colored film packaging to transparent film packaging. The AI-powered intelligent recognition application for transparent film dot matrix QR codes won the third prize in the RunXiang's AI Modeling Innovation Application Competition organized by China Resources Group for the second year.

## Marketing innovation

**E-commerce promotion:** Through influencer endorsements, influencer live streaming sales, store live streams, platform traffic diversion, and IP collaborations, CR Beverage enhanced its product exposure rate, brand awareness, and sales conversion rate. The annual beverage sales reached 1.68 million standard units. In terms of content promotion on platforms such as Douyin, Kuaishou, Xiaohongshu, Tmall, and JD.com, over 120,000 notes were published. These efforts garnered more than 320 million views and generated a transaction volume exceeding RMB 30 million. Live-streaming sales on platforms such as Douyin, Kuaishou, Tmall, and JD.com—encompassing over 8,000 hours of store live streams and more than 50,000 influencer live-streaming sessions—achieved a gross merchandise volume (GMV) exceeding RMB 140 million.



The annual beverage sales reached

1.68 million standard units

Over

120,000 notes were published

These efforts garnered more than

320 million views

Generated a transaction volume exceeding

RMB 30 million

**Key Account (KA) promotion:** Targeting high-quality customers in provincial capitals and municipalities in key beverage markets during the peak season from April to September, CR Beverage concentrated on tea products and created full-layer ice displays for beverages in nearly 10,000 stores per month, resulting in a significant 75% year-on-year increase in sales volume. In recent years, CR Beverage has significantly expanded its presence in high-performing stores/ supermarkets within third- and fourth-tier cities. The Company has established floor displays in nearly 1,200 stores across 144 cities. Notably, the proportion of stores located in third- and fourth-tier cities has increased from 18% in 2023 to 38%. This strategic expansion has led to an impressive year-on-year increase of 11% in packaged water sales.



**Foodservice promotion:** CR Beverage actively engaged in events organized by foodservice industry association, which included cooking competitions, foodservice exhibitions, and industry conferences. Through these initiatives, the Company provided water solutions for various kitchen scenarios, thereby enhancing its influence and promoting cooperation with foodservice clients. Additionally, it offered Zhi Ben Qing Run products as beverage solutions for heavy oil, spicy, and strong-flavored cuisines, providing various packaging combinations such as 310mL cans, 450mL PET bottles, and 1.5L bottles to meet diverse foodservice requirements.





**Special channel promotion:** CR Beverage partnered with China Southern Airlines to promote its beverages on flights, with Zhi Ben Qing Run products featured on 840 Guangzhou-Beijing flights, offering beverage promotions in different scenarios. The Company also collaborated with 52 Wanda Cinemas and 127 Jinyi Cinemas to promote Zhi Ben Qing Run chrysanthemum tea, Lemon Mi Shui, and Kara Salty Litchi beverages through slide advertisements. This initiative was complemented by snack packages and refrigerator displays, resulting in an impressive 1,159% increase in beverage sales. Additionally, the Company accelerated its expansion in the hotel sector by partnering with Jinjiang International (Group) Co., Ltd., The Ascott Limited, and DTG Corporate Travel. This collaboration aims to expand sub-brands such as Vienna and Lavande. Furthermore, the introduction of 520mL hotel room water, has been implemented across 780 outlets, resulting in a remarkable sales growth of 560,000 boxes.



**Emerging channel promotion:** CR Beverage has actively developed its home channel and "Bee Store" businesses. In the home channel (innovation incubation) sector, the Company established a 24-hour home delivery supply chain that integrates online orders, offline warehousing, and a middle system. The first batch of pilot project selected 13 core cities in Hunan, Jiangsu, Jiangxi-Fujian, and Henan-Anhui regions. Home channel service providers serve as the core operators in this initiative, resulting in the establishment of 139 community grid distributors that cover 443 main urban districts and facilitate 24-hour home delivery within these areas. In terms of promoting the Bee Store business, the Company focused on new home consumption scenarios by establishing 445 high-quality points across six core areas: Shenzhen, Guangzhou, Wuhan, and Zhuhai. The strategy targeted brand apartment neighborhoods and leveraged partnership with clients to expedite the expansion of the Bee Store's scale.



## Channel innovation

CR Beverage continuously explored innovative channels by establishing e-commerce platforms/stores on major e-commerce platforms such as Tmall, JD.com, Douyin, Kuaishou, and Xiaohongshu. The company collaborated with over 200 group leaders, tripling the number from the previous year, and engaged a large number of influencers to promote products. Over 120,000 influencing content posts were published, resulting in a transaction volume of over RMB 30 million and garnering over 320 million views. In the realm of interest-based e-commerce, we have developed a comprehensive matrix that encompasses top influencers, celebrities, niche experts, mid-tier creators, and everyday people, collaborating with a diverse range of content creators who are adept at effectively promoting products. For a special marketing campaign featuring our Lemon Mi Shui product, we partnered with the renowned domestic animation major IP, Nailon. Our promotional efforts spanned all channels online and included offering custom peripherals as gifts. We also produced engaging short videos and graphic posts by influencers, hosted live streams by influencers, and organized special live sessions in our retail locations. These initiatives significantly enhanced the product's visibility and contributed to the expansion of our user base for Lemon Mi Shui.

### Case | All staff celebrating CNY with C'estbon

On the eve of the 2024 Lunar New Year, CR Beverage launched the "Winning at the Terminal, All Staff Striving for CNY" promotional campaign, conducting CNY promotions in 695 key KA stores across 126 cities nationwide. The Company developed 1,268 image displays, leveraging the festive atmosphere to enhance the in-store experience, meet consumer demand, and boost brand influence. From February 2 to 8, 2024, a total of 227 functional employees responded to the Company's call to "Winning at the Terminal, All Staff Striving for CNY", participating in a week-long CNY campaign at stores, resulting in an impressive year-on-year increase of 1,180% in beverage sales per store and a remarkable year-on-year growth of 50% in packaged water sales per store.





>> Transforming innovation achievements

CR Beverage has fully unleashed its innovation potential, achieving new progress in multiple R&D areas.

Product development

The Company successfully launched seven new beverage products: sour plum drink, carbonated honey water, 350mL Passion Fruit Mi Shui, Classic Milk Tea and Osmanthus Oolong Milk Tea (The Tea of Wish), Mulene Lemon-Flavored and Yuzu-Flavored Sports Drink. The Company organized two flavor exploration trips and held spring and autumn proposal meetings, resulting in a total of 81 new product proposals that encompass the entire beverage category, including tea, juice, coffee, and carbonated drinks.



**Zhi Ben Qing Run Sour Plum Drink**

Launch date: March 2024

The plum drink is made by simmering for more than an hour to extract the rich essence of dried plums, licorice, dried tangerine peel, and hawthorn. Complemented with yellow rock sugar, it is revitalizing and thirst-quenching, providing a refreshing and palate-cleansing effect that stimulates the appetite.



**Mi Shui Lemon Soda**

Launch date: May 2024

The taste and texture of the Mi Shui Lemon are enhanced by the addition of Mediterranean lemon juice and imported honey. To overcome the challenge of striking a balance between health and flavor, the recipe has been modified to lessen calories and sugar while maintaining its flavor.



**350mL Passion Fruit Mi Shui**

Launch date: May 2024

Based on our existing 480mL Passion Fruit Mi Shui, we've fine-tuned the recipe and production process to ensure the product's storage stability while also enhancing the ease of manufacturing. This significantly boosts production efficiency.



**Classic Flavor Milk Tea and Osmanthus Oolong Milk Tea (The Tea of Wish)**

Launch date: October 2024

Premium Origin Teas (Original: Black tea from the world's top three tea-growing regions; Osmanthus Oolong: Anxi Oolong tea from Fujian blended with golden osmanthus from Guangxi) paired with imported New Zealand milk for a smooth texture and rich, creamy taste.



**Mulene Lemon-Flavored Sports Drink (Flat Cap) and Mulene Yuzu-Flavored Sports Drink (Flat Cap)**

Launch Date: November 2024

Scientifically formulated with electrolytes, glucose, amino acids, and B vitamins to maintain a refreshing taste and help quickly replenish electrolytes and energy. Overcoming the challenge of B vitamin shelf-life instability, the formula features carefully selected niacin and vitamin B<sub>6</sub> to ensure compliance with regulatory vitamin content throughout the product's shelf life.

Microbiology research

In collaboration with Tsinghua Shenzhen International Graduate School, we have partnered in establishing the Microbial Control and Application Technology Research Center and formed a dedicated microbiology research team. This team conducts in-depth studies on microbiology in beverage development and production, comprehensively analyzing the characteristics of various fungi and bacteria to ensure food microbiological safety in beverage innovation. In 2024, significant achievements were made in microbiology research, highlighted by the publication of three journal papers (two of which have been officially published) and the submission of seven microbiology-related invention patents.



Microbiology laboratory

Sensory research

Establishing a professional sensory panel mechanism and integrating a sensory evaluation system into the beverage development process will facilitate more precise sensory analysis and product positioning for new beverages. In 2024, the Company contributed to the formulation of seven sensory group standards, four of which have already been published.

>> Protecting intellectual property

CR Beverage has established a comprehensive framework comprising the *CR C'estbon Intellectual Property Management System*, *CR C'estbon Intellectual Property Application Work Flow Guide*, *CR C'estbon Rights Protection Work Guide*, and *CR C'estbon Trademark Use Evidence Filing Process Guide*. These systems are designed to protect the Company's intellectual property while respecting the intellectual property of others. They delineate the procedures and control measures for handling copyright, trademarks, patents, rights protection, and anti-counterfeiting efforts. At the same time, the Company places significant emphasis on continuously enhancing employees' awareness of intellectual property protection through targeted training programs and considers respect for intellectual property as a key criterion in supplier assessments. In 2024, the Company launched the *Computer Software Compliance Awareness Campaign* aimed at educating employees about its software management policies and promoting the benefits of using licensed software. By analyzing the risks associated with using unauthorized software, the Company underscores its requirement for employees to use only genuine software.

During the reporting period, CR Beverage identified 2 instances of brand counterfeiting through trademark monitoring and market inspections. The Company successfully addressed these counterfeiting cases through negotiation, administrative complaints, and administrative litigation.

Identified  
**2** instances  
of brand counterfeiting



# Low-Carbon Transformation: Crafting a New Chapter for Green Development

Globally, the concept of green and low-carbon development has emerged as a universal consensus, particularly in light of the increasingly urgent issue of global climate change. Promoting green, high-quality development and high-level ecological environmental protection is not only a shared value embraced by the international community but has also been integrated into national development strategies as a key priority. Against this backdrop, CR Beverage is actively advancing its green and low-carbon transformation, strengthening its climate change governance, and implementing strategies for green production and operations. The company is driving energy-saving technologies and equipment upgrades, developing and utilizing clean energy, improving ecological governance, and carrying out environmental protection initiatives, all in support of the sustainable development of society.

Materiality issues

Environmental compliance, Water Resource Management, Renewable energy management, "Three Wastes" management, Developing a circular economy, Green packaging, Green factory, Climate change response, Biodiversity protection, Environmental public welfare and green Office

Chapter performance

- Total greenhouse gas emissions: **172,285.8** tons of CO<sub>2</sub> equivalent
- Greenhouse gas emissions per unit of product: **0.02** tons of CO<sub>2</sub> equivalent.
- Freshwater Consumption: **1,298.03** ten thousand tons
- Water resource consumption intensity: **1.76** tons/ton
- Recycled Water Consumption: **276.31** ten thousand tons
- Total Environmental Investment: RMB **30.11** million
- Energy Conservation and Emission Reduction Technology Investment: RMB **23.53** million

SDGs issues involved in this chapter



Goal setting

- No environmental pollution incidents of general or higher severity occurred
- Water Consumption per Unit: A 2% reduction in drinking water consumption per unit compared to the 13th Five-Year Plan period

Progress Review

- In 2024, no environmental pollution incidents of general or higher severity occurred
- The water and electricity consumption per unit for drinking water has successfully met the target

Improvement plans

- Continuously improving the environmental management system, accelerating the ISO certification process, and promoting grassroots units to obtain green factory certification
- The annual key initiatives focus on water conservation, energy saving, and improving OEE (Overall Equipment Efficiency). This includes continuously upgrading and optimizing production equipment, improving production processes, scheduling production plans efficiently, and providing energy-saving training for employees





# Responsibility Topic

# Waste Material Reborn Embracing Different Ways to Live Low-Carbon

"3, 2, 1, Go!" With the press of each C'estbon bottle, the nationwide tour for the 2024 "C'estbon Waste Material Re-born Program", organized by CR Beverage in partnership with CR Mixc Lifestyle, officially kicked off.



In 2024, the launch ceremony of "C'estbon Waste Material Re-born Program" was held in Chengdu Science Museum

## This is so "city" - pioneering the green trend with a low-carbon lifestyle

Green and low-carbon living is not just a lifestyle; it is also a responsibility and a commitment. In 2024, the "C'estbon Waste Material Re-born Program" underwent a comprehensive upgrade and expanded its reach to cities such as Chengdu, Chongqing, Wuhan, Shanghai, Shenzhen, and Hong Kong, delving into different types of urban spaces such as commercial landmarks, office buildings, residential communities and parks, to showcase daily necessities, public facilities, artworks, etc. made from recycled plastic bottle, and held immersive activities—5 "Garden of Reborn" science exhibitions and 2 "Reshaping Charity Workshops" DIY activities. By integrating science exhibitions with interactive experiences, the program effectively illustrates the complete journey of plastic bottles in their "Re-born" transformation. Through a series of straightforward, engaging, and participatory educational activities, the concept of sustainable living is instilled in the minds of consumers and residents, highlighting the infinite possibilities of "carbon" and "circular" plastic recycling. At the same time, CR Beverage actively practices corporate social responsibility by launching a comprehensive consumer education program focused on product packaging recycling. Through various online and offline channels, the Company informs consumers on the importance of packaging recycling, thereby enhancing awareness regarding the recyclability of beverage packaging and promoting correct recycling practices.



The "Garden of Reborn" has arrived at Vientiane City Shanghai



The "Garden of Reborn" has landed at the Mixc Wuhan Outdoor Plaza - Manxiang Street District

### Expanded Reading



The "Garden of Reborn" makes a limited-time landing in Mountain City Chongqing!

### "Reborn" equation



### "Reborn" breakdown



As the urban tour expands to more cities, the "C'estbon Waste Material Re-born Program" has been introduced in selected office buildings and communities in Shenzhen. By setting up bottle collection points, the program initiates a beverage plastic bottle recycling campaign that provides valuable insights into the recycled applications of plastic bottles, thereby attracting and encouraging people to participate in proper recycling actively. These collected plastic bottles, along with raw material waste recycled from CR Beverage factories, will be transformed into recycled public facilities through professional recycling institutions. These facilities will then be donated to rural areas, parks, and communities, contributing to sustainable development. Since its launch in 2023, this "From Community, Back to Community" initiative has garnered widespread acclaim from residents. This program not only helps people recognize the intrinsic connection between recycling and their daily lives but also addresses the common challenge faced by similar projects in the past—enhancing the visibility of recycling efforts.





At the "C'estbon Waste Material Re-born Partner Signing Area," all participants press the button for commitment, collectively advancing towards a sustainable lifestyle



"Plastic Bottle Recycling" device placed in Shenzhen office buildings

In 2024, the "C'estbon Waste Material Re-born Program" collaborated with 69,857 recycling partners, achieving remarkable results in plastic bottle recycling and carbon reduction initiatives. The program successfully collected approximately 170,000 plastic bottles, including those from C'estbon Purified Water, Zhi Ben Qing Run Series, and Holiday Series beverages, resulting in a reduction of 5,796 kg of CO<sub>2</sub> emissions. This initiative has made a solid contribution to protecting our planet and supporting global climate action.

Resulting in a reduction of  
**5,796** kg  
of CO<sub>2</sub> emissions

## From Cities to Villages building Sustainable Hopeful Communities

We are not only promoting green living concepts in cities but also extending this commitment of care to rural areas. In 2024, CR Beverage, in collaboration with China Resources Chemical Materials, donated funds for the construction of a library themed "Low Carbon Regeneration" at No. 6 Primary School in Guangchang County, Jiangxi Province. This marks the second library nationwide funded by CR Beverage that focuses on the theme of "Low Carbon Regeneration". The library is equipped with calligraphy room and features desks and chairs made from recycled PET beverage bottles. This initiative enables children to concentrate on their studies while subtly incorporating the concept of recycling into their daily reading and life, thereby fostering an understanding of sustainability through everyday experiences.



Public library No. 245 of "C'estbon Hundred Libraries Program" - "Low Carbon Regeneration" themed library at No. 6 Primary School, Guangchang County, Jiangxi Province



Desks and chairs made from recycled plastic bottles in the calligraphy room

China Resources Hope Town in Nanjiang County, Sichuan Province represents the 12th hope town built by China Resources in the country. It is also the first town project completed by China Resources Group during the rural revitalization initiative. In 2024, CR Beverage implemented the "one-for-one" support mechanism that emphasized key responsibility areas such as "rural revitalization," "green development," and "community care." The brand's public welfare initiatives—namely the "C'estbon Waste Material Re-born Program" and the "Future Mountain and Sea Classroom"—were introduced from urban settings to enrich rural communities. In Nanjiang, 3 sessions of the "C'estbon Waste Material Re-born Program" and 9 sessions of the "Future Mountain and Sea Classroom" were conducted. Through engaging and experiential sustainable classrooms, these programs disseminated knowledge about plastic recycling. Using scenario simulations and role-playing activities, they enabled children to gain a profound understanding of sustainable development principles. This approach fosters an environment where concepts of sustainability can take root and flourish within hopeful fields.



CR Beverage donated a basketball hoop made from 46,050 plastic bottle caps



"PTA Plant Alliance" youth instructors taught the children in Nanjiang



"Island Youth" instructors guided the children in creating cultural and creative decorations through DIY collage

## Whatever changes, value persists

As a leading company in China's beverage industry, CR Beverage has effectively communicated the concept of green and sustainable development to the public through various means such as public welfare activities, experiential exhibitions, and recycling initiatives, but has also integrated this concept throughout its entire process of its production and operations, extending their application to all partners within its entire industry chain

Starting from product research and design, CR Beverage continues to promote green production by testing and developing packaging materials that are lighter, recyclable, renewable, and reusable. The Company also prioritizes the simplification or optimization of quantitative packaging design to minimize environmental impact. More than 99% of our product packaging materials are recyclable. In 2024, through initiatives focused on packaging reduction and optimization, we successfully reduced PET raw materials by approximately 24,900 tons and decreased the use of cartons by about 2.4 million units.

In 2024, CR Beverage continued to implement the "Unboxing Rewards" campaign across various sales regions. By introducing a green incentive program that allowed participants to exchange "old cartons and plastic film packaging for bottled water," we successfully stimulated the enthusiastic engagement from our partners. A total of over 14,777 tons of cardboard boxes and plastic film packaging were collected, encompassing nearly all product categories, resulting in a reduction of more than 19,735 tons of carbon emissions. This initiative engaged 827,000 terminal customers, with market participation exceeding the expected target by reaching 105%.

From the low-carbon design of product packaging to the establishment of an extensive recycling network, and then promoting circular and low-carbon environmental practices through cooperation and innovation, CR Beverage has consistently been at the forefront of sustainable development. By engaging consumers and the entire supply chain in green initiatives, we are collectively advancing the circular economy and contributing to the realization of our "dual carbon" goals.

More than **99%**  
of our product packaging materials are recyclable

A total of  
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Resulting in a reduction of  
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of carbon emissions



Responding to climate change

>> Climate change analysis

CR Beverage integrates climate change factors into the Company's strategic system, systematically identifies and actively responds to climate-related risks and opportunities that may affect business operations, and promotes all-round climate action. In accordance with the disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and *IFRS S2 Climate-related Disclosures* (IFRS S2), and with reference to the *Implementation Guidance for Climate Disclosures under ESG reporting framework* of the Hong Kong Stock Exchange, we have built a systematic climate management mechanism around the four core areas of governance, strategy, risk management, metrics and targets.

Governance

CR Beverage incorporates the responsibility of climate change management into the management of various levels of the sustainable development governance structure, and promotes the implementation and landing of climate change strategies through the three-tier management model of "decision-making layer - coordination layer - execution layer" to ensure that the work on climate change is carried out in an orderly manner. At the same time, CR Beverage is committed to continuously improving the professional ability and execution of the management team in the field of climate change, incorporating energy saving and emission reduction and other climate change-related content into the remuneration assessment indicators of managers, and carrying out relevant training. Please refer to the "Sustainability governance" and "ESG capacity building" sections of the Report for detailed governance information.

Strategy

CR Beverage establishes a systematic climate change risk management strategy, combines various climate scenarios, regularly identifies climate-related physical risks and transition risks, and assesses and ranks the risks. Based on the assessment results, we actively optimize business strategies, promote mitigation and adaptation measures, to enhance the climate resilience and adaptability.






Climate scenario selection

CR Beverage adheres to the road of green and low-carbon development, actively responds to the national energy conservation and emission reduction policy and the "Dual Carbon" policy, and combines the development trend and policy orientation of the industry. It has set up a phased assessment framework for the short term (2024-2030), medium term (2030-2035) and long term (2035-2055) to facilitate gradual transition towards low-carbon practices, and assess climate-related risks and opportunities in different time dimensions.

The Company comprehensively refers to the Shared Socio-economic Path (SSP) scenarios issued by the Intergovernmental Panel on Climate Change (IPCC), and combines the discussions of the *United Nations Framework Convention on Climate Change* (UNFCCC) and previous Conferences of the Parties (COP) on global temperature control objectives to finally select SSP1-2.6, SSP2-4.5 and SSP5-8.5<sup>2</sup> as core assessment scenarios for climate-related risk.

CR Beverage Climate Scenario Selection

Scenario Name	Scenario Selection	Scenario description	Applicable risk
	SSP1-2.6	Greenhouse gases will fall to lower levels by the end of the century. In the future, the temperature rise will be controlled within 2°C , and the social economy will develop towards sustainable and low-carbon direction	Physical risk, transition risk
	SSP2-4.5	Greenhouse gas emissions will stabilize by the end of the century, but not significantly decline. The future global warming is expected to be controlled within 3°C , and the socio-economic development is towards a neutral scenario: neither highly sustainable nor completely ignoring the environmental impacts	Physical risk, transition risk
	SSP5-8.5	The global average temperature will rise sharply, possibly exceeding 4°C on the basis of pre-industrial levels, and the socio-economic development will be highly dependent on fossil energy for high carbon emissions	Physical risk

<sup>2</sup>Source: IPCC Sixth Assessment Report (AR6)

Climate-related risks and opportunities

At CR Beverage, we have proactively engaged in the identification and analysis of climate-related risks. Our approach has taken into account both transition risks—spanning policy and legal, technological, market, and reputational dimensions—and physical risks, which include both acute and chronic impacts. Through a systematic process, we have identified, formulated, and assessed the risks, response strategies, and potential opportunities that climate change may introduce.




List of physical risks

Physical risk	Potential impact	Mitigation strategy
Extreme precipitation events	<ul style="list-style-type: none"><li>• <b>Production and logistics disruptions:</b> Floods caused by extreme precipitation may damage production and storage facilities and disrupt logistics and distribution networks, affecting product manufacturing and distribution capabilities.</li><li>• <b>Employee Safety and Welfare:</b> Floods caused by extreme precipitation may endanger employee safety.</li><li>• <b>Water quality changes:</b> Extreme precipitation may lead to changes in water quality that affect product quality and safety.</li></ul>	<ul style="list-style-type: none"><li>• <b>Infrastructure Enhancement:</b> Enhance storage facilities and regularly clean drainage ditches within the plant area and its surroundings. Implement flood prevention barriers, upgrade the drainage system, and comprehensively enhance the flood resistance capacity of the warehouse.</li><li>• <b>Emergency response and personnel safety:</b> Initiate the emergency plan, quickly block entrances with sandbags when the plant area is flooded, transfer important materials, shut off unnecessary power supplies, and ensure personnel safety and smooth logistics.</li><li>• <b>Employee care and support:</b> Establish an employee mutual fund. In the event of major natural disasters or other disasters that cause casualties or property losses, eligible employees may apply for financial assistance from the fund.</li></ul>
Typhoon	<ul style="list-style-type: none"><li>• <b>Damage to production and storage facilities:</b> The power or water supply facilities of the plant and partner production partners may be severely damaged.</li><li>• <b>Sales terminal damaged:</b> Secondary disasters such as storm surges and strong winds caused by typhoons may lead to ceased operation of terminal sales points.</li><li>• <b>Employee safety and welfare:</b> Typhoon may endanger employee safety and require necessary support from the Company.</li></ul>	<ul style="list-style-type: none"><li>• <b>Real-time monitoring and management:</b> Monitor and keep track to typhoon dynamics in advance, timely release relevant information and response measures, follow up on the implementation before, during, and after the event according to the established three-level hazard control system, and ensure the effective implementation of measures.</li><li>• <b>Production and warehousing prevention:</b> Comprehensively inspect and reinforce production equipment, reserve raw materials, and ensure the stability of production and supply chain; Check the safety of warehouse facilities and goods, and organize employees to conduct typhoon response training and drills; When necessary, stop production operations, cut off power supply, suspend logistics transportation, and ensure the safety of personnel and equipment.</li><li>• <b>Marketing and sales response measures:</b> Implement equipment protection in advance, including power outage management, reinforcement of outdoor equipment, and transfer of equipment to indoor areas. Ensure proper warehouse protection and reinforcement. Encourage terminals to stock up in advance.</li></ul>
Extreme hot weather	<ul style="list-style-type: none"><li>• <b>Production efficiency decline:</b> Extreme hot weather may lead to worker fatigue, overheating of equipment, increased defective rates, extended production cycles, and a decline in production efficiency.</li><li>• <b>Increase energy procurement costs:</b> Extreme hot weather increases cooling demand in summer, which may lead to overload of the power grid, affect the supply of hydropower and wind power, and cause fluctuations in energy prices.</li><li>• <b>Increased raw material procurement costs:</b> Extreme heat threatens crop production, affects crop growth and quality, and increases procurement costs for crop raw materials such as coffee and tea.</li></ul>	<ul style="list-style-type: none"><li>• <b>Optimization of work time and environment:</b> Adjust the work and rest time of outdoor employees, avoid working in high-temperature periods, and strengthen ventilation and cooling measures in the workplace to reduce the temperature of the working environment.</li><li>• <b>Refinement of heatstroke prevention materials and emergency plan:</b> Provide sufficient heatstroke prevention drugs and food, formulate heatstroke emergency plans and conduct drills, carry out employee health monitoring, and ensure employee health and safety.</li><li>• <b>Production and warehousing management:</b> Maintain and cool production equipment, reasonably arrange production time, protect raw materials in advance, control the ambient temperature of the warehouse, and focus on abnormalities in product appearance and packaging.</li></ul>
Water stress	<ul style="list-style-type: none"><li>• <b>Increased water resource extraction costs:</b> Water shortages may increase water extraction costs and reduce productivity, affecting product supply.</li><li>• <b>Increasing raw material procurement costs:</b> Water resource shortages may affect the stability of the supply chain, especially for raw material suppliers that are highly dependent on water resource (such as coffee and tea), thus increasing the cost of raw material procurement.</li></ul>	<ul style="list-style-type: none"><li>• <b>Water resource management and efficiency improvement:</b> Improve water use efficiency of water treatment and production lines, establish an advanced water resource management system, optimize overall water resource utilization, and ensure sustainable water resource management.</li><li>• <b>Water source selection and protection:</b> Implement a series of water source protection measures related to natural mineral water production, including monitoring water and soil loss, restoring and reconstructing damaged soil and vegetation, setting up an environmental protection mining management fund, and cooperating with local government departments.</li></ul>





List of transition risks

Types of transition risks	Potential impact	Response measures
<div> Carbon tax/carbon trading</div>	<ul style="list-style-type: none"><li>• <b>Rising production costs:</b> The carbon tax policy will increase the energy cost in the production process, especially on the production links using traditional energy, which may directly raise the production cost per unit of product.</li><li>• <b>Supply chain cost transmission:</b> Rising costs of packaging materials and raw material suppliers due to carbon tax may be passed on to downstream enterprises, further increasing overall operating costs.</li><li>• <b>Rising carbon quota and carbon credit costs:</b> At present, the carbon trading system has not yet covered the beverage industry, but with the expansion of the carbon trading system to cover the industry, CR Beverage may be included in the trading market and control carbon emissions according to the quota requirements, which may lead to increased production and operation costs.</li></ul>	<ul style="list-style-type: none"><li>• <b>Carbon emission monitoring and management:</b> Establish and enhance the carbon emission accounting system, use the transportation management system to count transportation data, and improve the accuracy and transparency of carbon emission data.</li><li>• <b>Market monitoring and employee training:</b> Continuously track changes in the carbon market and conduct regular training sessions for employees on carbon market policies to enhance their ability to participate and respond effectively.</li><li>• <b>Optimization of green logistics and supply chain:</b> Promote the use of new energy trams and the establishment of charging infrastructure, give priority to suppliers with low-carbon certification, and reduce the carbon footprint of the supply chain.</li></ul>
<div> Product and regulatory service requirements</div>	<ul style="list-style-type: none"><li>• <b>Increased R&amp;D costs:</b> Faced with stricter packaging recycling ratio requirements and degradable material use specifications, the Company may need to invest more resources in R&amp;D and procurement of environmentally friendly packaging materials, resulting in increased R&amp;D costs and operating costs.</li><li>• <b>Increased waste management costs:</b> The Extended Producer Responsibility (EPR) policy requires companies to manage the entire lifecycle of their products, from production to recycling. This obligation may increase operational complexity and long-term management costs.</li></ul>	<ul style="list-style-type: none"><li>• <b>System construction and compliance with laws and regulations:</b> Formulate product management evaluation methods to systematically and comprehensively oversee new products, products under assessment, and existing products. Develop short-term and long-term plans while ensuring compliance with regulations and internal company policies.</li><li>• <b>Green packaging:</b> Promote the lightweight of packaging materials and develop environmentally friendly packaging products, such as reducing the material weight of packaged aquatic products and optimizing the bottle structure to reduce the weight.</li><li>• <b>Optimization of Production and Transportation Processes:</b> Reduce production consumption, such as changing color film to white film to reduce ink consumption, and promote green photovoltaic power generation projects and green transportation vehicles.</li></ul>
<div> Low-carbon technology transition</div>	<ul style="list-style-type: none"><li>• <b>Pressure on R&amp;D cost:</b> In order to meet the policy requirements for green production and low-carbon technology, a large amount of resources need to be invested in developing new technologies, such as environmentally friendly packaging materials and energy-saving production equipment.</li><li>• <b>Supply chain technology integration risk:</b> In the context of green transition, the Company needs to coordinate upstream and downstream enterprises in the supply chain to jointly adopt low-carbon technologies. Insufficient collaboration within the supply chain could hinder the Company's transition progress.</li></ul>	<ul style="list-style-type: none"><li>• <b>Promote renewable energy:</b> Expand distributed photovoltaic power generation projects to increase the proportion of renewable energy in electricity consumption.</li><li>• <b>Promote low-carbon transition of supply chain:</b> Prioritize suppliers with low-carbon or carbon-neutral certifications or collaborate with companies specializing in new energy and eco-friendly materials to advance supply chain decarbonization.</li></ul>



Types of transition risks		Potential impact	Response measures
Market	<div><p>Raw material supply resilience</p></div>	<ul style="list-style-type: none"><li>◆ <b>Rising cost pressure:</b> Climate change may lead to fluctuations in raw material prices, such as increased planting costs of coffee beans and tea leaves, which will lead to an increase in the Company's procurement costs.</li><li>◆ <b>Supply chain disruption risk:</b> Extreme weather or regional resource shortage may lead to supply chain disruption of major raw materials, affecting production plans and market supply capabilities.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Develop alternative formulations:</b> Develop secondary suppliers for key raw materials and look for climate-resilient alternatives, while evaluating the feasibility of multi-ingredient blending to increase formulation complexity and enhance raw material supply and product quality stability.</li><li>◆ <b>Diversified procurement:</b> Establish a diversified supplier system by sourcing raw materials from different climate regions and building a raw material database to minimize supply chain disruptions caused by extreme weather.</li><li>◆ <b>Strengthen supplier management:</b> Establish close cooperation with suppliers and sign long-term contracts to lock in price and supply. Utilize big data and other technologies to establish a supply chain risk early warning mechanism and formulate plans to improve the supply resilience of raw materials.</li></ul>
	<div><p>Increased awareness of green consumption</p></div>	<ul style="list-style-type: none"><li>◆ <b>Changes in consumer demand:</b> Consumers preference for green products is increasing. If the Company fails to adjust its product line in time, it may lose its appeal to some markets, resulting in a decline in market share.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Development of green packaging:</b> Actively reserve and develop environmentally friendly packaging products to meet consumer preferences for environmentally friendly packaging, continuously improve product competitiveness, and meet the market trend of green consumption.</li><li>◆ <b>R&amp;D of low-carbon products:</b> Carry out technical research and formula development and reserve of low-carbon raw materials, simplify production process, reduce energy consumption, and create green and low-carbon high-end products to meet the market demand for green products.</li></ul>
Reputation	<div><p>Stakeholder concerns</p></div>	<ul style="list-style-type: none"><li>◆ <b>Brand reputation damage:</b> In the context of rising consumer demand for low-carbon and eco-friendly products, if the Company lags behind in green transition, it may be regarded as lacking environmental awareness, thus damaging brand image and consumer trust.</li><li>◆ <b>Decline in external ratings and investor trust:</b> External rating agencies are paying increasing attention to the performance of enterprises in ESG. If the Company inadequate responses to climate change, it may lead to a decline in ratings and affect the trust of capital markets in enterprises.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Green cooperation and certification:</b> Participate in green cooperation projects led by the government and environmental protection organizations to enhance the environmental impact of the industry.</li><li>◆ <b>Strengthen investor communication:</b> Actively communicate with investors on the issue of ESG rating decline, give explanations and follow-up improvement measures, and reduce the impact of capital market.</li></ul>

List of opportunities

Opportunity type		Potential impact	Response measures
Energy source/ resilience	 Renewable energy applications	<ul style="list-style-type: none"><li>◆ <b>Decrease in operating costs:</b> The acceleration of global low-carbon transition, and national policies support the development of clean energy such as wind power and photovoltaic, promoting the adjustment of energy structure. With the maturity of technology and large-scale development, the cost of renewable energy has dropped significantly. The company can reduce the risk of volatile fossil energy prices by building distributed photovoltaic projects, and expand renewable energy applications at lower costs to optimize operating costs.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Clean energy application:</b> Promote photovoltaic power generation projects, accelerate the construction and grid connection of distributed photovoltaic power generation projects in its own factories.</li><li>◆ <b>Promoting the use of green electricity:</b> Improve the procurement of green electricity in factories.</li></ul>
Resource efficiency	 Efficiency of resource utilization	<ul style="list-style-type: none"><li>◆ <b>Production cost reduction:</b> In the context of global climate change and increasing pressure on resources, the Company should actively practice green development and integrate energy saving and consumption reduction into all aspects of its operation. Improve the efficiency of resource utilization, reduce the consumption of energy, water resource and packaging materials by optimizing processes, upgrading energy-saving equipment, intelligent management and lightweight packaging and other measures, thereby reducing production costs.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Green packaging:</b> Develop material-reduced packaging, such as embossing labels directly on the body of plastic bottles to reduce the amount of labeling material used.</li><li>◆ <b>Production process optimization:</b> Adopt lean production concept and process improvement measures to reduce inventory, shorten production cycles and improve energy efficiency.</li><li>◆ <b>Energy management:</b> Establish an energy management system to monitor and optimize energy consumption in real time.</li></ul>
Market	 Research and development of new sustainable products	<ul style="list-style-type: none"><li>◆ <b>Increase in operating income:</b> With the promotion of green and low-carbon transition by national policies and external capital markets, as well as the gradual increase in consumer demand for low-carbon and environmental-friendly products. The company focuses on scientific and technological research and development and technological innovation, to carry out innovative research and development of its products, and launch low-carbon and environmental-friendly products that meet consumer needs through lightweight packaging strategies and the adoption of recyclable materials, etc., which may enhance market competitiveness and increase operating income.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Lightweight packaging strategy:</b> Optimize the bottle mouth and bottle structure to achieve about 8% weight reduction of main product bottles, saving about 24,900 tons of PET raw materials annually.</li><li>◆ <b>Application of environmentally-friendly materials:</b> Adopt packaging materials with high recycling rate, to promote the development of environmentally-friendly packaging such as boxed water. The project of replacing colorful film with white film for non-display film packaging products is launched to reduce ink consumption, carbon emissions and procurement costs, so as to meet the development trend of environmental protection.</li></ul>
	 Rising temperatures increase demand for beverage products	<ul style="list-style-type: none"><li>◆ <b>Increase market share:</b> With the increasing trend of global warming, hot weather is becoming an increasingly common phenomenon. Higher temperatures are likely to increase consumer demand for refreshing and functional beverages. According to the trend of consumer preference for beverages in hot weather, the Company develops and launches diversified and innovative products, such as functional beverages containing electrolytes and vitamins, to attract and satisfy consumer preferences, and further enhance the Company's market share.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Product innovation and technical research:</b> Conduct technological and formulation research on functional beverages, such as upgrading Mulene sports beverage (containing electrolyte, amino acid, vitamins and other ingredients), developing Zuo Wei Cha Shi zero-sugar tea, etc., to meet consumer needs and enhance market competitiveness.</li><li>◆ <b>Optimization of production process and warehousing logistics:</b> Continuously optimize the production process and timely expand production lines to improve production capacity and efficiency. Dynamically adjust the transportation network according to the meteorological warning, and cooperate with the shared logistics platform to flexibly deploy social transportation capacity to improve the logistics efficiency in peak seasons.</li></ul>

Risk assessment

Relying on the TCFD framework, CR Beverage conducted in-depth analysis focusing on two core dimensions: risk impact and enterprise response capability. This approach enabled the identification of high-priority risks that could significantly affect the business.

Physical risk assessment

After systematic climate-related risk assessment, the self-operated factories of CR Beverage distributed in different geographical regions showed significantly different risk characteristics under different climate scenarios<sup>3</sup>. In the future, the Company will continue to enhance its monitoring and assessment of climate-related physical risks, closely track changes in the frequency and intensity of extreme climate events, further refine its coping strategies and adaptive measures, ensure operational resilience in addressing the challenges posed by climate change, and strive to achieve its sustainable development goals.

Significant physical risks faced by regions of CR Beverage under the green scenario (SSP1-2.6)

Region <sup>4</sup>	SSP1-2.6		
	Short-term (2024-2030)	Medium-term(2030-2035)	Long-term (2035-2055)
South China	/	/	/
Central China	/	/	/
Southwest	Extreme heat; Water stress	Extreme heat; Water stress	Extreme heat; Water stress
East China	Extreme precipitation events; Water stress	Extreme precipitation events; Water stress	Extreme precipitation events; Water stress

Significant physical risks faced by regions of CR Beverage under the baseline scenario (SSP2-4.5)

region	SSP2-4.5		
	Short-term (2024-2030)	Medium-term (2030-2035)	Long-term (2035-2055)
South China	Extreme precipitation events	Extreme precipitation events	Extreme precipitation events
Central China	/	/	/
Southwest	Extreme heat; Water stress	Extreme heat; Water stress	Extreme heat; Water stress
East China	Typhoon; extreme precipitation events; Water stress	Typhoon; extreme precipitation events; Water stress	Typhoon; extreme precipitation events; Water stress

Significant physical risks faced by regions of CR Beverage under the brown scenario (SSP5-8.5)

Region	SSP5-8.5		
	Short-term (2024-2030)	Medium-term (2030-2035)	Long-term (2035-2055)
South China	Extreme precipitation events	Extreme precipitation events; Typhoons	Extreme precipitation events; Typhoons
Central China	/	/	Extreme heat; Extreme precipitation events
Southwest	Extreme heat; Water stress	Extreme heat; Water stress	Extreme heat; Water stress
East China	Extreme precipitation events; Water stress	Typhoon; extreme precipitation events; Water stress	Extreme precipitation events; Water stress

<sup>3</sup>The typhoon risks faced by CR Beverage are mainly concentrated in factories located in coastal cities. After statistical analysis based on production regions, the significance of typhoon risks has reduced to some extent, but factories in South China and East China coastal cities still require focused attention.

<sup>4</sup>The geographical division of CR Beverage adopts the method of "China Human Geography Division". For details, please refer to:Comprehensive Division of Human Geography in China- Journal of Geography.

Results of transition risk assessment

In light of the transition risks, CR Beverage conducts a systematic analysis and evaluation of the significance of impacts arising from climate policies, market changes, technological development, consumer preferences and other relevant factors and relevant actions carried out by enterprises based on two climate scenarios. Based on the identification results, we will concentrate on the transition risks associated with high-risk categories, including product and regulatory service requirements, green consumption awareness and stakeholder concerns. In the future, the Company will continue to monitor associated risks, closely track policy and regulatory adjustments, shifts in market demand and industry development trends. We will optimize our response plans in alignment with our business strategies to ensure competitiveness and sustainable growth throughout the low-carbon transition process.

Transition risk assessment results of CR Beverage

Company-Level Transition Risks		Risk Rating	
		SSP1-2.6	SSP2-4.5
Policy and Law	Carbon tax/carbon trading	Medium	Low
	Product and regulatory service requirements	High	Medium
Technology	Low-carbon technology transition	Medium	Low
Market	Raw material supply resilience	Low	Medium
	Increased awareness of green consumption	High	Medium
Reputation	Stakeholder concerns	High	Medium

Risk Management

CR Beverage actively addresses the potential risks associated with climate change and intends to integrate climate-related risks into its comprehensive risk management framework. This framework encompasses risk identification, assessment and analysis, thereby enabling the Company to effectively mitigate the impacts of climate change on its operations. We regularly monitor climate-related risks to ensure the stability of our business operations and refine our management strategies to enhance resilience against climatic challenge.

In terms of risk management, we conduct regular assessments of both physical and transition risks associated with climate change, adjusting our responses based on the outcomes of these evaluations. For physical risk assessments, we evaluate both our own factories and cooperative production partners based on the degree of impact (likelihood \* severity) and response capability (sensitivity \* adaptability) related to climate-related risks. This approach enables us to understand the entity-specific risks faced by each operational site. For transition risk assessments, we evaluate the urgency of risks and the level of risk awareness. We then summarize and analyze the final identification results to clarify the key transition risks faced by enterprises and develop corresponding response strategies.

In the future, the Company will continue to enhance its climate-related risk management system, strengthen employee training and awareness initiatives, and establish a comprehensive monitoring and information disclosure mechanism. This will ensure that stakeholders are promptly informed of the progress made in the enterprise's climate-related risk management efforts.



Metrics and targets

In terms of greenhouse gas emission targets, CR Beverages refers to the *Comprehensive Research Report on Carbon Neutrality in China* published by the World Energy Foundation. Through a thorough analysis of predictions for two distinct warming scenarios, 2°C and 1.5°C, we have established carbon neutrality goals and implementation pathways for the period from 2020 to 2060. We have set 2021 as the benchmark year, with an emission of 69,378.0 tons of CO<sub>2</sub>e per annum. Based on the five-year management roadmap aimed at achieving carbon peak, we plan emission reduction routes and targets (peak carbon emissions by 2030), and we are dedicated to the ongoing enhancement of our carbon emission management system. We actively promote the execution of improvement projects, while ensuring that these initiatives align with our overall development strategy to continuously evaluate both the content and progress towards our carbon reduction targets.



Carbon Neutrality Goals and Implementation Roadmap

GHG Emission Reduction Targets for CR Beverage

	Active emission reduction plan	Conservative emission reduction plan
Reach peak goals	Carbon peak in 2030	
Long-term goals	Carbon neutrality by 2050	Carbon neutrality in 2055
Mid-term goals	A 75% reduction in emissions is targeted by 2035 based on the peak year as a reference	A 20% reduction in emissions is targeted by 2035 based on peak year as a reference

Meanwhile, we have continued to closely monitor the progress of our carbon neutralization pathway and have formulated annual emission reduction targets for carbon dioxide emission intensity per unit product. In 2024, CR Beverage successfully achieved its annual emission reduction target.



Carbon emission targets

The carbon dioxide emission intensity per unit of product for the year 2024 (measured in tons/ton) is projected to decrease by **10%** compared to the levels recorded in 2020.

Actual achievement

The carbon dioxide emission intensity per unit of product for the year 2024 (measured in tons/ton) is projected to decrease by **25.84%** compared to the levels recorded in 2020.

To comprehensively assess CR Beverage's capability to address climate-related risks and to monitor of the progress of our sustainable transition, we constantly monitor, quantify, and disclose key indicators such as greenhouse gas emissions, green energy consumption, and water resource utilization. For more detailed industry-specific indicators related to climate change, please refer to the "Appendix - Data List" section of the Report.

» Enhancing carbon emission management

CR Beverage continues to refine and improve its "carbon management system," comprehensively organizing carbon emission data. The Shenzhen factory participated in the annual carbon emission verification conducted by the Shenzhen government and completed its carbon compliance obligations on the government system, with verified total carbon emissions of 3,506.96 tons. In 2024, the Company implements energy-saving and emission-reduction projects across all sales regions and self-operated factories, comprehensively drive the Company to enhance energy and resource efficiency and reduce carbon dioxide emission.

Shenzhen factory verified total carbon emissions of

3,506.96 tons



The greenhouse gas accounting scope of CR Beverage

mainly covers CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>. Greenhouse gas emission data is presented in carbon dioxide equivalent (CO<sub>2</sub>e) and calculated in accordance with the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)*.

The Shenzhen factory actively participates government-led green cooperation projects. The products, including 555mL and 1.555L bottled C'estbon purified drinking water, as well as 18.9L barrel-packaged C'estbon purified drinking water, have all obtained carbon footprint label certification for the Guangdong-Hong Kong-Macau Greater Bay Area.



Guangdong-Hong Kong-Macau Greater Bay Area Carbon Footprint Label Certification of Shenzhen factory

## Strengthening green management practices

### >> Improving management system

CR Beverage strictly abides by national environmental protection laws and regulations such as *the Environmental Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*. We aim to establish a comprehensive ecological and environmental protection management system. The Company has implemented a governance structure in which senior management oversees overall operations, various functional departments conduct specialized supervision, and employees diligently adhere to established policies. The Quality, Environment, Health and Safety Committee has been established to systematically develop a series of internal management systems, including *Identification, Risk Assessment, and Control of Environmental Risks*, *CR C'estbon Ecological Protection Guidelines*, *CR C'estbon EHS Management Measures*, *CR C'estbon EHS Incentive Management Measures*. Thanks to these initiatives, we have established clear accountability mechanisms for EHS incidents, ensuring that responsibilities are clearly assigned to specific individuals. The Company has enhanced the supervision process and evaluation system for EHS activities, promoting a comprehensive closed-loop management approach that encompasses oversight through to assessment. As a result, we have significantly elevated our overall environmental management standards. By identifying environmental factors, the Company has developed a comprehensive list of significant environmental considerations to effectively manage risks associated with the production process. Leveraging the elemental management framework and quantitative evaluation system established by China Resources Group, the Company has adopted a systematic management approach in specialized areas such as environmental protection, energy conservation and emission reduction. This initiative has enabled the implementation of specific measures for environmental protection that are both practical and effective, with the aim of continuously optimizing the environmental governance system. In 2024, the Company reported no instances of environmental violations or penalties.

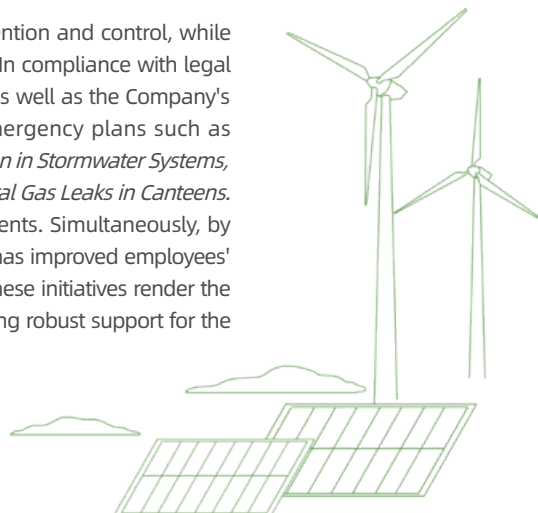
In 2024, the Company reported **no instances** of environmental violations or penalties

### >> Promoting environmental management system certification

CR Beverage is committed to advancing the certification of its environmental management system, promoting the development and certification of the ISO 14001 Environmental Management System and ISO 50001 Energy Management System. Based on our current progress and planning, the Company aims to complete the certification for some of its factories by 2025. Achieving this milestone will establish a solid foundation for positioning CR Beverage as a benchmark for green and low-carbon development within the industry.

### >> Enhancing environmental emergency response

CR Beverage continuously enhance its capabilities in environmental risk prevention and control, while also strengthening its practices for responding to environmental emergencies. In compliance with legal and regulatory requirements, and taking into account industry characteristics as well as the Company's production management practices, we have optimized environmental emergency plans such as *Emergency Response Plan*, *Emergency Response Plan for Chemical Spill Prevention in Stormwater Systems*, *Emergency Response Plan for Oil Leaks*, and *Emergency Response Plan for Natural Gas Leaks in Canteens*. These plans standardize and optimize the response procedures for EHS incidents. Simultaneously, by regularly organizing specialized environmental emergency drills, the Company has improved employees' abilities to handle sudden environmental incidents and enhanced teamwork. These initiatives render the environmental emergency plans more effective and practicable, thereby providing robust support for the Company's safe production and ecological environmental protection efforts.



Case

#### Emergency preparedness exercise for hazardous chemical leak response at Nanning Factory

Nanning Factory places significant emphasis on effectively addressing sudden environmental incidents. In collaboration with the local Ecological Environment Bureau, the factory conducted an emergency drill focused on hazardous chemical leaks. The exercise simulated a scenario where a chemical spill occurred in which employees were transferring chemicals from the warehouse, leading to injuries and environmental pollution. Under coordinated command, all emergency actions were executed in an orderly fashion, closely simulating real-life conditions and ensuring a smooth response process. This drill not only enhanced the staff's risk awareness and their capacity for self-rescue and mutual aid during emergencies, but also evaluated the coordination and collaboration between the factory and the local Ecological Environment Bureau in managing sudden environmental incidents. The intended objectives of the drill were successfully achieved.



## Enhancing energy efficiency

### >> Strengthening energy management

Abiding by laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, CR Beverage keeps improving the Energy Management Regulations and other rules and regulations. Following the principles of "law-based management, technological advancement, reduced consumption and increased efficiency, effective supervision, and sustainable development", the Company is committed to continuously enhancing its energy management system, optimizing resource allocation and promoting sustainable production. In 2024, the Company focused on building its energy management system in accordance with the ISO 50001:2018 and GB/T 23331-2020 standards.

#### Energy target:

The comprehensive energy consumption per unit of products decreased by **2.5%** in 2024 compared to the level recorded in 2023 (unit: tons of standard coal per ton).

#### Actual achievements

During the "14th Five-Year" Plan period, the Company made concerted effort to expand production capacity at its self-owned factories, enhanced the proportion of its beverage business, and optimized the layout of its industrial chain. A significant number of new projects, as well as renovation and expansion initiatives were planned and gradually commenced production in 2024. This led to a substantial increase in the Company's total energy consumption. In 2024, the comprehensive energy consumption per unit of products decreased by **15.73%** compared to 2023 (excluding new projects and renovations involving bottle blowing and injection molding process). Looking ahead, the Company will closely monitor trends in energy consumption and will conduct regular evaluations to update its established energy targets.





Energy use structure

Energy category	Quantity consumed	Unit	Equivalent to MWh	
			Quantity	Proportion (%)
Electricity	29,547.74	Ten thousand kWh	295,477.36	85.58
Gasoline	28.8	Tons	344.79	0.10
Diesel	0	Tons	0.00	0.00
Natural gas	130.65	Ten thousand m³	14,138.67	4.10
Thermal	127,206.12	MJ	35,294.78	10.22
Total			345,255.60	100

» Implementing energy-saving upgrades

CR Beverage consistently incorporates the principles of energy conservation and emission reduction into all aspects of its business operations. In terms of manufacturing process, the Company has assembled a team of experts and technical professionals to conduct a comprehensive analysis of each production stage. Through the optimization of process design and the integration of control measures, we have successfully minimized energy loss and while enhancing waste resource conversion efficiency. With respect to equipment upgrades, we have implemented advanced energy-saving equipment and optimized existing machinery, thereby significantly improving resource utilization efficiency.

Case | Implementing energy-saving upgrades of labeling machines at Nanning Factory

In 2024, during routine inspections, Nanning Factory identified energy waste issues in labeling machines on some production lines. The exhaust airflow and waste heat from the vacuum blowers of the labeling machines were not being effectively utilized; instead, they were directly discharged from the bottom. This inefficiency not only elevated the temperature at the base of the labeling machines, —thereby reducing their service life—but also resulted in unnecessary energy loss. The factory promptly assembled a professional team to evaluate the situation and devise an effective solution: the installation of waste heat recovery pipelines at the outlets of the vacuum blowers, insulation wrapping for these pipelines, and subsequent connection to the air knives on drying machines. This approach utilizes both exhaust airflow and waste heat to dry and preheat bottles. The operational downtime of the drying machines was strategically adjusted, with selective activation implemented only during the humid spring season (March-April) when necessary. The renovation has yielded impressive results, successfully reducing the power consumption of drying machines by 10%, and saving approximately 31,248 kWh of electricity. This outcome represents a win-win scenario in terms of both energy efficiency and equipment maintenance.



Case | Implementing high-pressure air integration upgrades at Zhaoqing Factory

Zhaoqing Factory previously encountered challenges with its centralized air supply system, which resulted in substantial waste of high-pressure air and energy inefficiencies. To address this challenging issue, the factory implemented a specialized upgrade that facilitated the integration of high-pressure air networks and ensured compatibility among individual air supply systems. This enhancement enabled each high-pressure machine to independently supply air to various production lines. At the same time, the factory meticulously adjusted the air pressure in accordance with the specific requirements of each production line and the bottle blowing process for various products. This optimization not only achieved a reduction in high-pressure levels but also decreased energy consumption. Following the upgrade, the power consumption of high-pressure machines per unit experienced a significant decline from 10.15 kWh/ton to 9.06 kWh/ton. The factory is projected to save RMB 279,300 annually as a result of these improvements. This upgrade has not only enhanced energy efficiency but also yielded substantial economic benefits.

Case | Implementing specialized upgrades of high-pressure machines at Ningxiang Factory

Ningxiang Factory has implemented a series of energy-saving and emission reduction initiatives, with a particular emphasis on addressing critical issues such as valve plate fracture deformation, packing wear and significant energy loss associated with electronic blowdown valves in high-pressure machinery. As a result of these targeted upgrades, the factory has successfully reduced the electricity consumption rate per ton for high-pressure air compressors, achieving annual savings of approximately RMB 480,000.



>> Strengthening water resource management

Water resource management

CR Beverage and its cooperative production partners implement stringent quality management measures for all water sources. The quality of all types of water adheres to national standards and regulations, including *Standards for Drinking Water Quality (GB5749)*. For third-party water supplies, we conduct a series of comprehensive water quality tests that assess parameters such as conductivity, pH value, turbidity, residual chlorine, and various bacterial counts. The frequency of testing ranges from multiple times per day to once a week based on the specific requirements for each parameter. Additionally, water samples are sent to nationally or internationally accredited third-party laboratories for analysis every six months. In 2024, CR Beverage encountered no challenges in sourcing water.

We possess all necessary approvals, licenses and permits for water extraction, including water intake permits. A dedicated environmental mining management fund has been established to mitigate the impact on water sources during mining and related activities. Special well houses and protective barriers for natural mineral water have been constructed and are regularly maintained to safeguard these vital resources. We conduct regular water risk assessments at all operational locations, evaluating factors such as water quality, water quantity, and the surrounding environment of water sources. We prioritize ecological protection in areas surrounding these sources, including restoration and reconstruction efforts to mitigate potential soil erosion. Through close collaboration with local government departments, we ensure the integration of resources to collectively safeguard our water sources.

Water saving management

The Company has made remarkable progress in managing the entire life cycle of its water footprint. It has effectively utilized production water, actively recycled and repurposed reclaimed and concentrated water, and implemented cutting-edge water-saving technologies. A total of 16 projects have been executed, including cooling water recovery, optimized water treatment processes, and concentrated water recovery. These initiatives encompass 100% of the Company's production and operational sites, significantly enhancing the recovery and utilization rates of wastewater while concurrently reducing overall production water consumption. Since 2010, it has been honored with the title of "Outstanding Water and Energy Conservation Enterprise" that contributes to clear waters and green mountains by the China Beverage Industry Association for 14 consecutive years.



Water consumption target per unit during the "14th Five-Year" Plan period

Compared to the "13th Five-Year Plan" period, the target was to reduce the water consumption per unit of drinking water by 2%.

Progress towards target achievement

**Achieved**

In 2024, CR Beverage encountered **no challenges** in sourcing water.

Honored with the title of "Outstanding Water and Energy Conservation Enterprise" that contributes to clear waters and green mountains by the China Beverage Industry Association for **14 consecutive years**



Innovative recycling of concentrated water at Wuhan Factory embarks on a new journey of water recycling

Wuhan Factory actively adopts the concept of water resource recycling by reclaiming concentrated water generated during the treatment of tap water. The reclaimed water is utilized for auxiliary production, daily consumption, boiler operations, and cooling tower functions, thereby effectively achieving the sustainable recycling of water resource. In 2024, Wuhan Factory recorded a total annual water consumption of 1.326 million tons within its water treatment system, with the concentrated water recovery system successfully recycling 140,500 tons throughout the year.



>> Utilizing clean energy

CR Beverage has proactively undertaken initiative to optimize its energy structure and promote the development and utilization of clean energy, with a focus on planning and deploying distributed photovoltaic (PV) projects. In 2024, CR Beverage successfully completed the construction and grid connection of distributed PV projects at nine of its own factories (located in Lu'an, Shenzhen, Nanning, Zhaoqing, Chengdu, Changsha Phase II, Yixing, Wuyishan, and Jiangmen). These projects collectively generated an annual total of 20.8308 million kWh of electricity, resulting in a reduction of carbon dioxide emissions by approximately 12,198.52 tons. The Company has also proactively secured new energy quotas. This year, the Lu'an Factory and Nanning Factory collectively purchased 9.3682 million kWh of green electricity from local power supply departments, effectively reducing carbon dioxide emissions by 5,216.23 tons. This initiative has provided robust support for the Company's transition towards a green and low-carbon future. In 2024, the Company consumed a total of 30.1991 million kWh of green energy through active procurement of green electricity and the development of distributed PV systems, which accounted for 10.22% of its overall energy consumption. This achievement surpassed the carbon reduction target aimed at reaching a 10% utilization rate of green energy.



Lu'an Factory actively procured green electricity

In 2024, the Company consumed a total of **30.1991 million kWh** of green energy through active procurement of green electricity

The development of distributed PV systems, which accounted for **10.22%** of its overall energy consumption



Case | Continuously improving PV projects at Nanning Factory

In 2024, Nanning Factory actively embraced the principles of sustainable development by vigorously advancing the transformation of its energy structure. During this year, the factory procured and utilized 2,788,227 kWh of green electricity and 2,291,960 kWh of photovoltaic power. Collectively, the use of renewable energy constituted 21.6% of the factory's annual electricity consumption, thereby providing a consistent supply of clean energy for its production and operations. This remarkable achievement not only underscores Nanning Factory's steadfast commitment to energy conservation and emission reduction but also highlights its proactive response to climate change. Furthermore, it establishes a benchmark for green development within the industry and serves as an exemplary model that inspires other enterprises to pursue a low-carbon future.



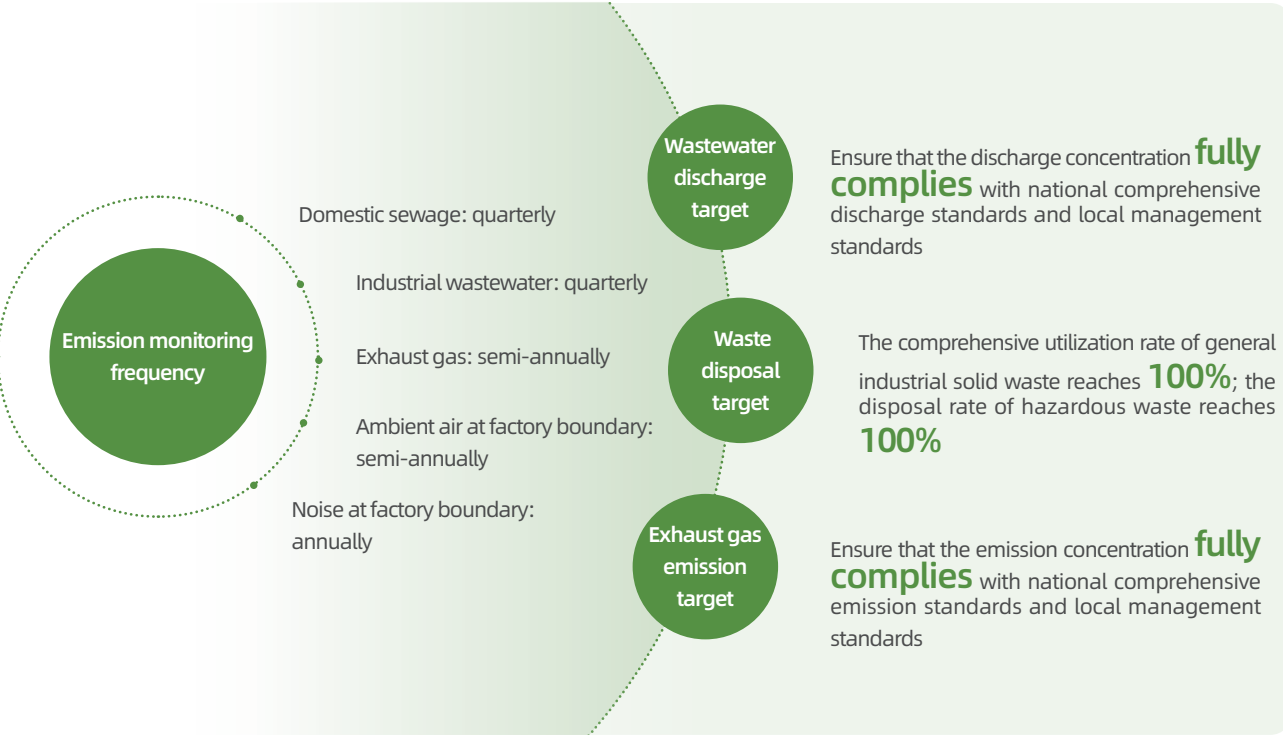
>> Implementing digital and intelligent management

CR Beverage actively responds to the calls of the times by establishing a digital production management platform. Taking Yixing Factory as a pilot project, the Company employs sensors and intelligent monitoring equipment for real-time tracking and automatic analysis of energy consumption data, thereby enabling precise identification of critical energy consumption nodes. At the same time, the Company establishes annual energy objectives and detailed performance indicators, systematically breaking them down into each production and operational phases. Based on the analysis results and established objectives, the Company implements refined energy consumption management, striving to position itself as a benchmark resource-saving enterprise. In 2024, the Yixing Factory of CR Beverage was recognized by China Resources Group as a leading unit exemplifying pioneering efforts in digital and intelligent management.

Advancing emission reduction and governance

CR Beverage continuously introduces and enhances its pollutant emission control technologies, rigorously managing the discharge of various pollutants. The Company aims to establish a resource-efficient and environmentally sustainable enterprise. It places significant emphasis on developing an effective emission monitoring and supervision system. All its self-owned factories regularly engage qualified testing institutions to monitor emitted pollutants in accordance with established requirements. Concurrently, these facilities undergo routine ecological assessments of ambient air, surface water and other environmental factors in the surrounding areas conducted by local government authorities. The results indicated that in 2024, all emissions from the Company adhered to applicable standards, and there were no incidents where the Company's production and operations adversely affected local ecological functions.

In 2024, **all emissions** from the Company adhered to applicable standards



>> Wastewater discharge reduction

CR Beverage strictly adheres to the *Water Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and other pertinent laws and regulations. The Company continuously enhances its internal management measures, including the *Regulations on Wastewater Discharge Management*, ensuring that wastewater treatment facilities are fully operational across all its self-owned factories. Regular effluent testing is conducted to guarantee compliance with legal and regulatory standards. In 2024, the Company achieved a year-on-year reduction of 15.14% in wastewater discharge per unit of products, with concentration of wastewater discharge meeting or exceeding national standards.

In 2024, the Company achieved a year-on-year reduction of **15.14%** in wastewater discharge per unit of products

Case | Chengdu Factory built multiple facilities to ensure compliant wastewater discharge

In 2024, the Chengdu Factory invested more than RMB 4 million in environmental protection initiatives. The factory established a wastewater treatment facility with a daily processing capacity of 500 tons, and installed three sets of exhaust gas treatment equipment that utilize activated carbon adsorption and catalytic combustion technologies. Additionally, two sets of online water environment monitoring systems were implemented, along with two video monitoring systems for assessing water quality. These measures are designed to ensure the proper and compliant discharge of wastewater.

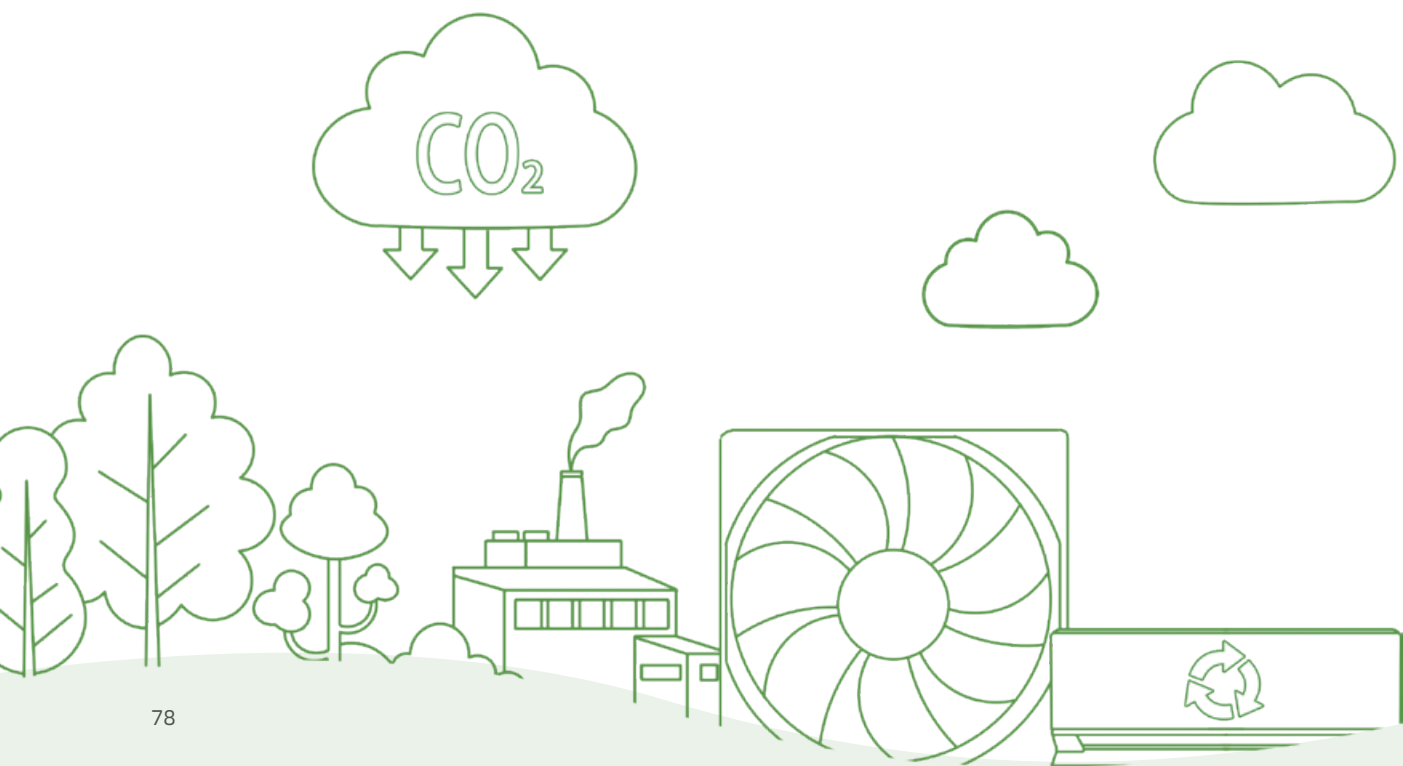
» Exhaust gas emission reduction

The emission sources associated with the production and operations of CR Beverage primarily include sulfur dioxide, nitrogen oxides, kitchen exhaust, and VOCs. To effectively manage exhaust gas emissions, the Company has implemented installed exhaust systems on its production lines to meticulously treat and filter emitted gases, ensuring compliance with emission standards prior to their release. By the end of 2024, the Company had successfully built 44 exhaust gas treatment facilities, achieving an annual processing capacity that exceeds 1.5 billion m<sup>3</sup>, thereby encompassing all its owned factories. For specific emission sources such as kitchen exhaust, the Company has implemented dedicated emission pipelines equipped with purification equipment to ensure compliance prior to discharge. In 2024, the emission concentrations of major atmospheric pollutants (such as nitrogen oxides, sulfur oxides, and VOCs) from all factories met or exceeded national standards.

By the end of 2024, the Company had successfully built

44

exhaust gas treatment facilities




» Waste reduction

CR Beverage adheres strictly to the requirements set forth by laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*. The Company clearly delineates the categories of hazardous wastes and general wastes, formulates relevant management measures, and meticulously assigns the responsibilities for waste management across various departments. This approach ensures that all types of wastes are classified scientifically and rigorously from their source to disposal, thereby facilitating comprehensive implementation of environmental protection responsibilities. In 2024, the Company reported a total output of general industrial solid wastes comprehensive utilization amounting to 4,147.32 tons, and hazardous wastes totaling 23.83 tons, achieving a disposal rate of 100%. This accomplishment successfully meets our annual target.

Achieving a disposal rate of 100%

Waste classification and treatment measures

		
General wastes	Recyclable wastes	Hazardous wastes
including domestic waste, industrial waste, and other types of refuse. Following the establishment of a dedicated organization by CR Beverage for the collection and transportation of general waste, centralized disposal will be conducted in accordance with relevant regulations and standards.	including waste paper, waste metal, etc. CR Beverage encourages recycling and reuse, such as the reuse of cartons that are free from damage, moisture, glue chips, and peculiar smell.	including discarded ink bottles, toner cartridges, electronic equipment, light bulbs, etc. CR Beverage has established a hazardous waste warehouse for the purpose of classified storage. The Company entrusts qualified recyclers to conduct unified treatment and disposal, ensuring compliance with hazardous waste disposal regulations.

» Noise control

CR Beverage strictly adheres to the *Law of the People's Republic of China on Noise Pollution Prevention and Control* and the *Noise Limits for Construction Sites* (GB12523-2011), along with other relevant laws and regulations and industry standards. The company meticulously plans its construction schedule, particularly regarding the operational hours of high-noise equipment. Furthermore, it mitigates construction noise pollution by investing in advanced technical equipment and implementing reasonable controls on nighttime construction activities.



>> Dust control

CR Beverage is actively engaged in the prevention and control of dust pollution at the construction site. Enclosures and spraying facilities have been erected around the construction site to utilize water mist for suppressing airborne dust; materials that are prone to generating dust are stored in a closed warehouse or securely covered with dust cloth; muck on the pavement is promptly cleaned to prevent dust from being stirred up by vehicles; transportation route and schedules for vehicles are scientifically planned to minimize dust generated by traffic conditions; Water spraying is conducted judiciously based on the prevailing dust situation at the construction site, employing multiple measures to mitigate the environmental impact of dust.

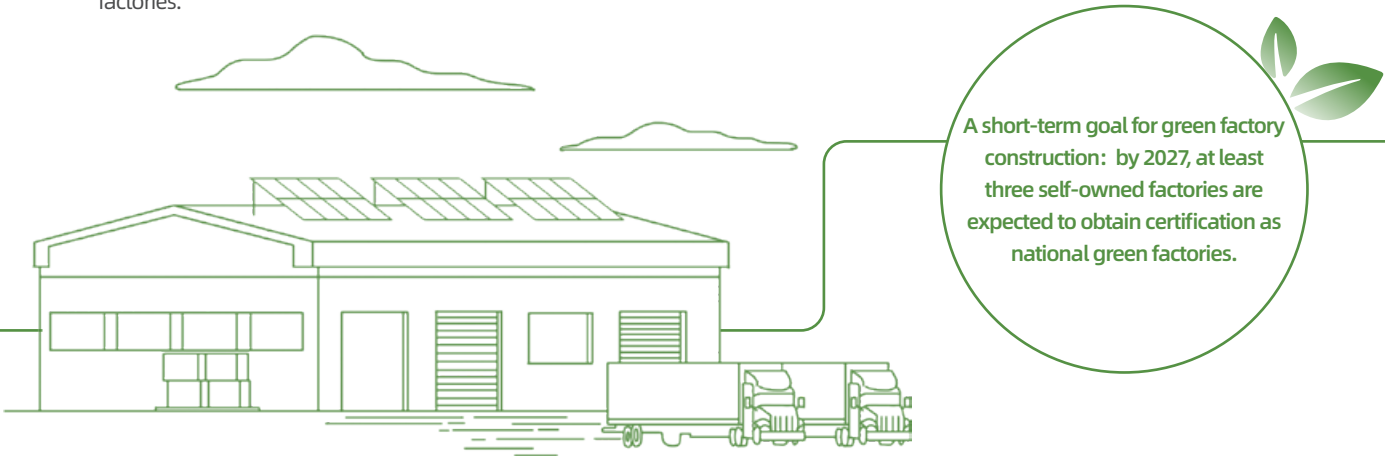
Caring for the ecological environment

>> Green factory

CR Beverage adheres to four core principles: streamlining and efficiency, intelligent manufacturing, green production and a people-oriented approach. The Company actively promotes the establishment of green factories. In the selection of building materials, aluminum-zinc-magnesium coated color steel plates have been chosen for the roof of the production plants. Rock wool panels are used extensively utilized in the peripheral walls. Additionally, a significant amount of steel structures are used, complemented by energy-saving aluminum alloy windows and double-layered insulating tempered glass. In areas where personnel are stationed for extended periods, windows are equipped with Low-E glass and sunlight-reflecting coating. Additionally, various effective shading measures such as fixed or movable shading are implemented. This approach facilitates natural ventilation of the production plant within the production facility, effectively eliminating residual heat and moisture in the industrial buildings while reducing the energy consumption associated with mechanical ventilation. Furthermore, it maximizes the use of natural lighting while reducing reliance on artificial lighting during daylight hours.

In terms of plant layout planning, the arrangement of building layouts, pipelines, and transportation routes is approached as an integrated whole. The auxiliary production area is strategically positioned in alignment with the minimum wind frequency direction of the prevailing wind direction in the plant area, it is also located at a considerable distance from both production and office areas to mitigate noise, light and thermal pollution. The roadways within the plant area are designed to effectively separate personnel from vehicles. The logistics inlet and outlet routes are distinctly delineated by gateways and landscaping features. Furthermore, the logistics operations in the plant area does not traverse through the comprehensive office building. This design not only enhances personnel safety and maintains a tranquil environment within the plant area but also optimizes logistics routes for maximum efficiency and convenience.

At the end of 2024, the relevant departments of CR Beverage organized a communication team to visit the Bengbu Factory of China Resources Beer for exchange meeting focused on dual carbon initiatives and green factory construction. After the meeting, a short-term goal for green factory construction was established: by 2027, at least three self-owned factories are expected to obtain certification as national green factories.



>> Green transportation

Improving highway-to-rail and highway-to-waterway transportation

CR Beverage actively promotes the development of green logistics and is dedicated to establishing a sustainable and low-carbon supply chain system. The Company has implemented energy conservation and emission reduction initiatives across all sales regions and production facilities that are currently operational. The promotion of transportation modes from highways to railways and from highways to waterways has been significantly enhanced. Railway transportation in regions such as Sichuan-Yunnan, Chongqing-Guizhou, Beijing-Tianjin, Shanghai-Zhejiang and Hubei is being vigorously developed to fully leverage its advantages of high capacity and efficiency. This initiative aims to ensure that goods can be swiftly processed and reach their destinations seamlessly. Goods dispatched from Yixing, Shanghai and other manufacturing facilities to Beijing, Tianjin and surrounding regions are transported via waterways simultaneously utilizing both inland rivers and marine waterways to effectively reduce logistics costs and energy consumption. By establishing a multi-modal transport system, CR Beverage is dedicated to achieving the "door-to-door" delivery of goods while enhancing the convenience and overall efficiency of transportation comprehensively. In 2024, the national railway transportation volume reached approximately 9.56 million boxes, while the waterway transportation volume amounted to around 950 thousand boxes. This resulted in a total of 10.51 million boxes transported, reflecting an increase of 26% compared to 2023. Additionally, the cumulative reduction in carbon emissions was nearly 4,381 tons.



Railway transportation



Waterway transportation

- In 2024, the national railway transportation volume reached approximately **9.56 million boxes**
- While the waterway transportation volume amounted to around **950 thousand boxes**
- Reflecting an increase of **26%** compared to 2023
- The cumulative reduction in carbon emissions was nearly **4,381 tons**



### Optimizing palletized transportation

CR Beverage actively explores and optimizes bottle design to enhance product compressive strength. Building on this foundation, it refines palletizing standard to best accommodate the needs of production, warehousing, transportation and other operational aspects. This approach effectively boosts the loading and unloading efficiency for both factories and customers while increasing loading rate and storage capacity utilization. Additionally, the Company adds film wrapping protection to each pallet of products to enhance product quality and protection, to enhance product quality and protection, supporting long-distance palletized transportation. This, in turn, improves the operational efficiency and transportation safety of the entire production, sales, and logistics system, reducing overall logistics costs. By 2024, the proportion of palletized transportation in China reached 56%, marking a 7% increase compared to 2023 (the proportion of palletized transportation from 2022 to 2024 were recorded at 43%, 49% and 56%, respectively).



Palletized transportation

### Promoting the construction of automated storage and retrieval system (ASRS)

To optimize the utilization of existing warehouse capacity and mitigate quality risks associated with double-layered storage, CR Beverage has initiated pilot projects in selected factories to actively promote the implementation of shuttle-based ASRS. These three-dimensional warehouses utilize shuttle vehicles for automated storage and retrieval, reducing the need for forklifts to travel, thereby enhancing operational efficiency and cutting carbon emissions. Additionally, they significantly improve product quality. From 2023 to 2024, the shuttle vehicles in these three-dimensional warehouses collectively reduced the operational distance of counterbalanced forklifts by 80,134 km, resulting in a significant energy consumption savings of 181,548 kWh.



ASRS construction

By 2024, the proportion of palletized transportation in China reached

56%

Marking a

7%

increase compared to 2023

From 2023 to 2024, the shuttle vehicles in these three-dimensional warehouses collectively reduced the operational distance of counterbalanced forklifts by

80,134 km

Resulting in a significant energy consumption savings of

181,548 kWh

### Improving the TMS system

In 2024, CR Beverage continued to enhance and refine the TMS, effectively breaking down production and sales silos. This initiative enabled comprehensive management of critical links such as shipping scheduling, appointment waiting, in-transit management and arrival signing. The intelligent access control platform is designed to streamline the process of entering and exiting the factory, enabling logistics vehicles to do so seamlessly and facilitating closed-loop management of vehicle operations. Additionally, logistics-related reports are generated to minimize the time and costs associated with offline operations and communication, thereby providing data support for operational analysis and decision-making. Furthermore, a real-time data dashboard visualization system has been established to accurately and intuitively present business key information, driving intelligent operational practices.

### Green electric heavy truck empowerment

Under the guidance of our dual carbon goals, we have actively collaborated with China Resources Gas to jointly advance the construction of green electric heavy trucks and their supporting facilities in CR Beverage factories. At the same time, during the implementation of the project, we will share the profits generated from charging service fees, which not only assists the beverage factory in achieving green and low-carbon transformation but also creates a new profit growth opportunity for both parties. Furthermore, it achieves win-win collaboration between the two parties on their journey toward sustainable development, collectively contributing to long-term sustainability efforts.



### >> Green procurement

CR Beverage actively promotes "green procurement". Based on the Company's production capacity planning and the development of the supply chain industry, distance restrictions are set in the access requirements of suppliers for packaging materials, including cartons and lids. Specifically, cartons are required to be sourced within a 300km range (excluding remote areas), while lids, depending on different product items, are required to be sourced within a 500km or 800km range. By shortening the transportation distance, carbon emissions are effectively reduced. In terms of purchasing market equipment, the Company adheres to the concept of green development and reduces energy consumption and carbon emissions in downstream channels through targeted procurement of custom refrigerators with Level 1 energy efficiency. Regarding bulk material procurement management, the Company adopts online integration and automated processes to minimize manual reporting, ensuring timely data presentation. All data from cooperating material partners, cooperative production partners, and other parties are made online, allowing real-time query and use. Products with environmental protection labels and minimal impact on the ecological environment are preferred for procurement. It is clearly required that suppliers of major packaging materials must obtain the "Environmental Impact Assessment Certification", thereby promoting suppliers to effectively implement low-carbon business concepts, further strengthening energy conservation and consumption reduction measures, and helping achieve the green development goals.



>> Green packaging

CR Beverage strongly advocates green packaging, and is dedicated to advancing green, reduced and recyclable packaging solutions. While ensuring product safety and consumer experience, CR Beverage utilizes environmentally friendly packaging materials, and continuously improves materials and process technology to increase resource reuse rates. In 2024, over 99% of the packaging materials are made from recyclable, reusable or compostable materials, with more than 88% derived from renewable materials.

We have implemented packaging reduction initiatives across all product categories, and made structural adjustments to the bottle neck and body of C'estbon Purified Water in various segments to minimize the use of PET raw materials. With the 555 mL/bottle of C'estbon purified water as an example, the raw material consumption of each bottle is reduced by about 8%. Through the packaging optimization project, we transitioned the outer packaging of C'estbon water products from carton boxes to PE film packaging. In 2024, this change resulted in a decrease of about 2.4 million cartons consumed, while also mitigating moisture-related impact on product appearance associated with cardboard. Additionally, we executed a project that involved replacing colored film with white film for C'estbon purified water packaged in 2.08L bottles. This significant alteration led to a remarkable reduction in ink usage by 99%, thereby decreasing carbon emissions during the packaging and printing process. Furthermore, we have consistently reduced the use of PVC materials and replaced traditional labels with PETG and OPP labels for our products.

In addition, we have established resource recovery programs at all locations where we operate. From May to June 2024, we continued our carton recycling initiatives, with each region independently formulating recycling plans. The number of participating customers at the terminals reached 827,000, resulting in a market participation rate that exceeded expectations at 105%. The total volume of recycled cartons and film packages surpassed 14,777 tons.

Packaging material usage



Wuhan Factory joined hands with waste recyclers to start a multi-material recycling project

Wuhan Factory has established a collaborative relationship with waste recycling supplier, focusing on the recovery of various materials including carton, paper tube, white film, PET chip bag, white bottle, bottle cap, bottle embryo, glue head, lubricant barrel, wooden pallet, filter, label, tie, iron, 301 stainless steel, 201 stainless steel, copper, aluminum, and color film. The total amount recovered amounts to 414,059.1 kg.

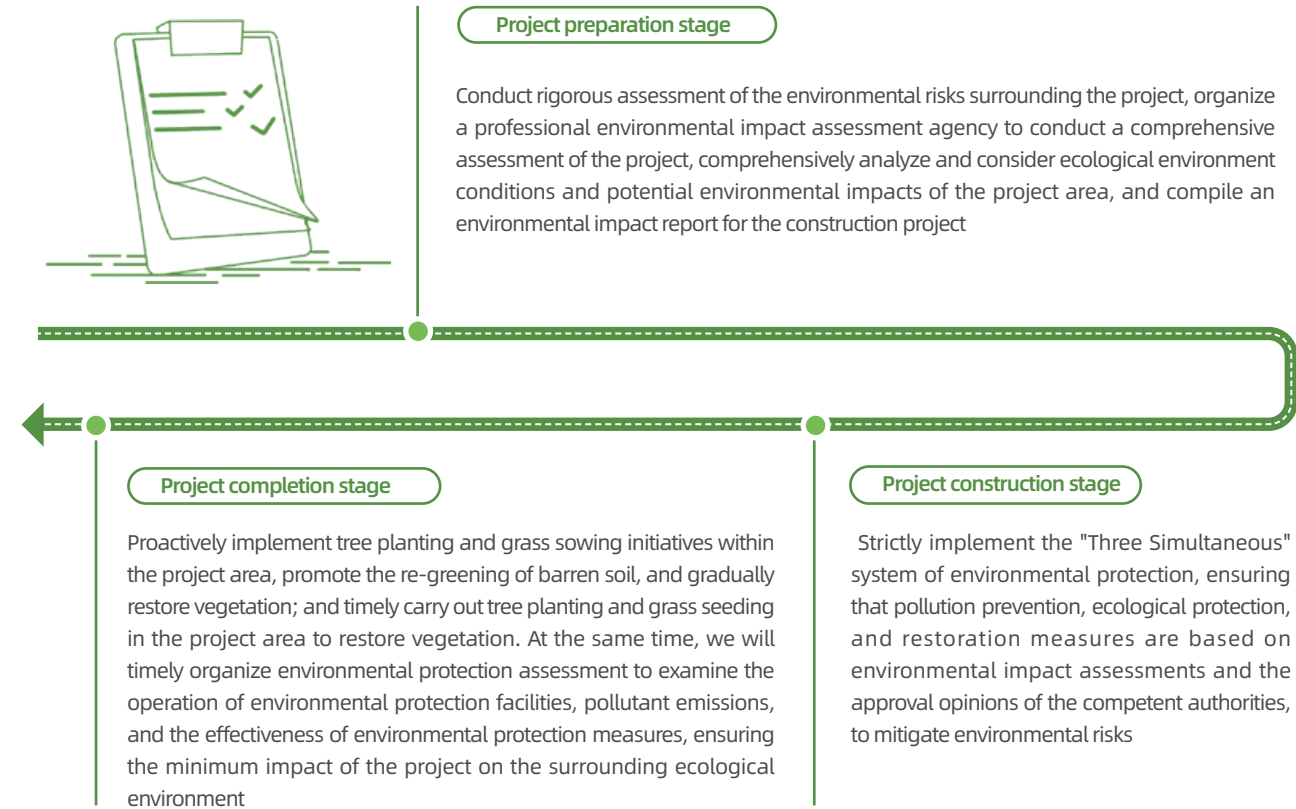
>> Carrying out biodiversity protection

CR Beverage adheres strictly to the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. We actively identify and manage the potential negative impact that our business activities may have on biodiversity and ecosystems. When selecting the site for a new project, we conduct a comprehensive and detailed analysis of the surrounding ecological environment, ensuring that we avoid environmentally sensitive areas such as nature reserves, scenic spots, and regions with concentrated populations of rare or endangered wild species.

>> Implementing ecological governance

CR Beverage prioritizes ecological protection and governance, integrating ecological principles throughout the entire development process. In the initial stages of each project, comprehensive assessments are conducted rigorously and prudently in strict compliance with the requirements of the *Law on Environmental Impact Assessment of the People's Republic of China* and other relevant laws and regulations. Concurrently, taking into account the unique operational characteristics of the Company, CR Beverage has continuously refined its *CR C'estbon Ecological Protection Management Guidelines*. These guidelines provide detailed and targeted direction for environmental protection initiatives while minimizing any potential environmental impacts associated with production and operations. In 2024, the Company did not encounter any incidents with significant direct or indirect impact on biodiversity and ecological environment.





**Case | CR Beverage's contributed to Nanshan ecological renewal**

On June 18, 2024, CR Beverage organized the "C'estbon Mind, C'estbon Spirit, Let's Move Together" youth campaign and "Green and Beautiful Nanshan" volunteer service activity in Changlingpi, Nanshan District, Shenzhen. Volunteers headed to the greening area equipped with gloves and tools to engage in various tasks such as weeding, stabilizing saplings, backfilling soil, and watering and irrigation. By effectively maintaining the "Green and Beautiful Youth Forest" in Changlingpi, initiative not only fostered healthier and faster tree growth but also contributed to improving the surrounding environment and water quality of Changlingpi Reservoir. This project stands as a practical demonstration of both the "Green and Beautiful Guangdong" and "Green and Beautiful Nanshan" ecological campaigns, highlighting CR Beverage's commitment to environmental stewardship and its active role in safeguarding Nanshan's ecosystem.



## Advocating green living

### » Expanding environmental protection publicity

CR Beverage places significant emphasis on the dissemination and implementation of ecological environment concepts, undertaking extensive promotional initiatives focused on ecological and environmental protection. We use traditional methods such as posters, banners, billboards, corporate websites, as well as emerging media such as WeChat, Weibo, short videos, and live broadcasts to vigorously advocate for energy-saving and consumption-reducing, and popularize green production and lifestyles. Through the organic integration of traditional and modern media channels, we have fostered a positive atmosphere that encourages frugality and rational consumption. The principles of energy conservation and reduced consumption have become deeply ingrained in public consciousness, allowing us to make meaningful contributions toward advancing green development.



Publicity on official account

Posters

### » Implementing green office practices

CR Beverage, demonstrating a strong commitment to social responsibility, actively responds to the national initiative for energy conservation and emission reduction. The Company enhances development quality by increasing the "green content" within its industry. We encourage employees to incorporate sound environmental protection principles into their daily work and life, fostering environmental protection awareness at all organizational levels. In the office, we actively promote energy-saving practices such as turning off lights and ensuring faucets are tightly closed. We also utilize water-efficient and energy-efficient equipment. The Company has established air-conditioning standards to maintain a temperature no lower than 26°C during the summer months. Our office automation system and video conferencing technology have been extensively implemented. In 2024 alone, we conducted 4,434 video conferences, resulting in a reduction of employee travel by 51,429 person-times. In our business operations, we strictly adhere to a paperless office policy. As a result, annual paper consumption decreased by 29.37% year-on-year in 2024, while annual journal subscriptions saw a decline of 35.1%.



Jiangmen factory required the staff to turn off the air conditioner 20 minutes before leaving work



>> Practicing environmental public welfare

CR Beverage has mobilized various public welfare initiatives to comprehensively and multilaterally organize energy-saving, environmental protection and low-carbon practices. During the National Energy Conservation Publicity Week, a total of 66 themed promotional activities were conducted. Approximately 948 pieces of promotional materials were printed and distributed, 77 publicity videos were aired, and 128 publicity personnel were dispatched for outreach efforts. The total audiences reached 10,800 people, fostering a robust atmosphere in which all staff are engaged in green energy conservation efforts.



CR Beverage launched the 2024 Yixing Factory Public Welfare Study Tour



Employees of CR Beverage engaged in public welfare activities, including river patrols, environmental protection, and beach clean-up at Shenzhen Bay Park

"The "19-year Water Public Welfare Road" of CR Beverage

CR Beverage has proactively engaged in a series of public welfare initiatives centered on water conservation, The Company advocates for tangible and visible lifestyles that underscore the significance of valuing and safeguarding water, as well as promoting responsible practices in loving, conserving, scientifically sourcing, utilizing, and consuming this vital resource. Through these endeavors, CR Beverage effectively communicates the concept of water-related public welfare, ensuring it becomes an integral aspect of everyone's daily life.





# Trust Makes Life Better Because of You and Me

CR Beverage has consistently prioritized the provision of high-quality products and services as its core mission, effectively addressing the evolving quality needs of consumers. We strive to cultivate a positive workplace environment, thereby injecting significant momentum into the enterprise's development. By adhering to an ethos of openness and collaboration, we work with upstream and downstream partners to establish long-term and stable cooperative relationships that promote sustainable development across the entire industrial chain. Leveraging our brand influence and resource advantages, CR Beverage advances its presence in the Hong Kong market while contributing to local economic prosperity. We actively participate in community construction initiatives, undertake various public welfare activities, and foster comprehensive growth across multiple sectors within our enterprise. This approach enables us to achieve a harmonious balance between economic advancement and social benefits.

### Materiality issues

Nutrition and Health, Food Safety, Enhancing Product/Service Accessibility, Responsible Marketing, Customer Information Privacy Protection, Customer Complaint Handling, Customer Satisfaction, Safeguarding Employees' Rights and Interests, Employee Development and Training, Employee Care and Welfare, Leading Industry Development, Strengthening Cooperation Platform Construction, Promoting Supply Chain Responsibility, Boosting the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, Full-Scale Disaster Relief, Community Investment and Charity

### Chapter performance

- Customer complaint handling rate **100%**
- Labor contract signing rate **100%**
- Social insurance coverage rate **100%**
- The total investment in employee training was RMB **4.188** million, and the training participation rate reached **97.3%**
- The cumulative issuance of mutual aid funds exceeded RMB **6.371** million
- The number of suppliers reviewed amounted to **312**
- CR Beverage participated in and released **8** industry group standards
- Social contribution investment of RMB **6.875** million
- The cumulative participation time of **11,279** hours in social contribution activities

### SDGs issues involved in this chapter

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

### Goal setting

- No major food safety incidents occurred throughout the year
- Strengthen the standardized management of new supplier access, partner supplier assessment and withdrawal, and strive to build a clean, positive and fair supply chain ecological environment
- Boost brand marketing and promotion in the Hong Kong market, deepen channel development, implement a high-ground strategy, and enhance brand awareness in Hong Kong
- Uphold a responsible attitude, fulfill public responsibilities, support community construction, and respond to public concerns

### Progress Review

- The quality management department of the headquarters has supervised, guided and promoted various quality management work in the factories
- The qualification review of new suppliers was completed, covering **46** categories and **358** suppliers visits, with **126** on-site suppliers visit and **140** suppliers approved and added to the qualified database
- The brand recognition of C'estbon in Hong Kong market reached **79%**
- Relying on the "Public Welfare Rapid Response Mechanism for Disaster Relief", a total of **23,500** boxes of C'estbon Purified Water were donated to Yajiang of Sichuan Province, Qingyuan of Guangdong Province, Chenzhou of Hunan Province, Jianchang of Liaoning Province, Yongcheng of Henan Province and other areas that were stricken by mountain fire and flood in 2024

### Improvement plans

- Focus on key cities along the Yangtze River, seize the core terminal resources in these cities, and build comprehensive brand strongholds
- Accelerate the adjustment and improvement of the income distribution mechanism to play its role of attracting, retaining, motivating and developing outstanding talents.
- Continuously improve the assessment system of partner suppliers, establish and optimize the management rules of partner suppliers according to the business characteristics, and strictly follow the rules.
- Strengthen the budget management of charitable public welfare donations, and respond promptly to disaster relief and rescue and charitable donation works with the continuous support of the "Public Welfare Rapid Response Mechanism for Disaster Relief".



# Responsibility Topic

Capacity Expansion Engine Fully  
Activated, Development Growth  
Rate Entering the "Fast Lane"

In today's consumer market, which is constantly evolving and upgrading, the beverage industry finds itself in a pivotal of rapid transformation and intensified competition. CR Beverage possesses a keen insight into the industry trend, and continues to improve the self-production rate and supply efficiency through a strategically planned national production capacity layout. Simultaneously, by constructing factories for all product categories and leveraging local resource advantages, the Company is accelerating the steady expansion of its packaging water and beverage product lines in terms of production and sales coverage.

During the "14th Five-Year" Plan period, CR Beverage successively put into production the factories in Yixing, Nanning Phase II, Changsha Phase II, Chengdu Phase II, Heyuan and Wuyi Mountain demonstrating the Company's steady expansion of production capacity and market coverage.

## Accelerating expansion —Wanlv Lake Production Base officially completed and put into production

The Wanlv Lake drinking water production base is CR Beverage's largest production base in South China. In 2024, the first phase of the base project was completed, and 5 production lines have started for production. The base not only creates considerable output value, actively pays taxes according to law, injects strong vitality into local finance, but also gives full play to the leading and radiating role of leading enterprises to drive the coordinated development of upstream and downstream industries. While generating economic benefits, Wanlv Lake Production Base also exemplifies its commitment to social responsibility by creating a significant number of local job opportunities and contributing to employment stability in the region.

In 2024, the first phase of the base project

was completed, and **5** production lines have started for production



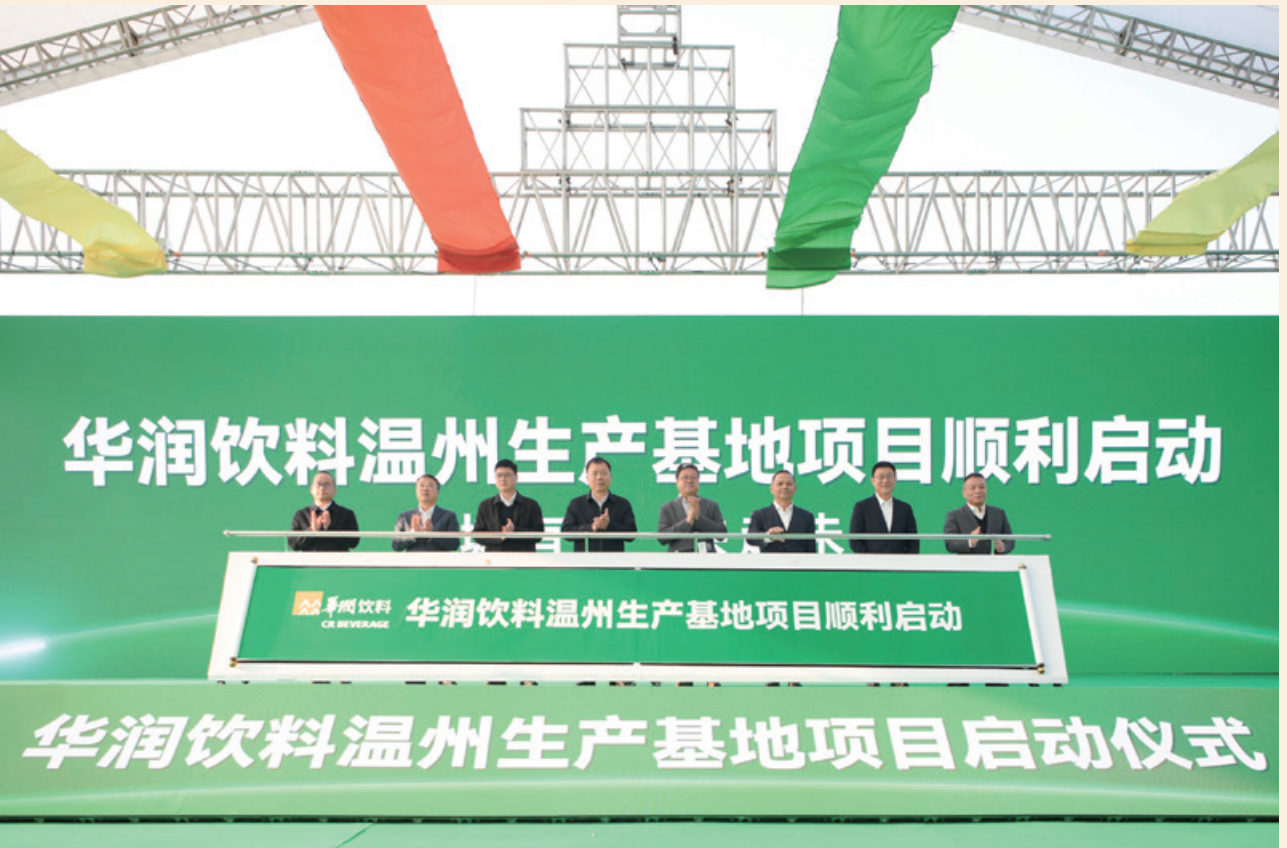
Site plan of Wanlv Lake Production Base of CR Beverage

## Production capacity —Wenzhou production base officially launched

On December 18th, CR Beverage held the launch ceremony of its Wenzhou production base in Wencheng County, Wenzhou City, Zhejiang Province. The Wenzhou production base represents the fifth factory planned to be built by CR Beverage during the "14th Five-Year" Plan period. It mainly produces and sells bottled purified water. It is expected to be completed by the end of 2025. After full production, the annual output value can reach RMB 650 million, which will effectively meet the sales demand in Zhejiang Province.

After full production, the annual output value can reach

RMB **650** million



Launch ceremony of CR Beverage's Wenzhou production base project

The inauguration of the Wenzhou production base represents not merely a simple capacity expansion, but also a significant initiative by China Resources to expand production and improve efficiency. This facility incorporates internationally advanced production equipment and intelligent management system to ensure production efficiency and product quality, thereby maintaining a competitive edge in the challenging market landscape. The establishment of this base will not only augment the production capacity and responsiveness of CR Beverage, but also further solidify its leading position within the beverage market.



# Factory layout in the "1+N" mode to promote quality and efficiency

Capacity expansion and supply chain efficiency optimization are two of the core strategies of CR Beverage. The location strategy for CR Beverage factories adheres to the "1+N" mode, which entails establishing large manufacturing facilities in each region complemented by several nearby supporting production factories. Additionally, these factories are strategically situated across 19 densely populated provinces and municipalities in China, ensuring comprehensive coverage of first-tier cities and new first-tier cities within a radius of 300 to 500 kilometers. As of December 31, 2024, CR Beverage has successfully deployed 15 self-owned factories that are currently operational, along with partnerships with 31 production partners nationwide for the production of packaged drinking water and beverage products.

In order to capitalize on resource-rich highlands, CR Beverage has significantly enhanced its production capacity and strategically established high-quality water sources, such as Jialin Mountain in Guangdong Province, Wanlv Lake in Guangdong Province, Wuyi Mountain in Fujian Province and Danjiangkou in Hubei Province. The Company has systematically constructed and expanded production bases in locations such as Heyuan, Nanning, Wuyi Mountain, Chengdu, Changsha and other places to accelerate the steady growth of packaged water and beverage categories within its production and sales portfolio. At the same time, based on the current conditions of production and marketing alignment as well as capacity distribution, differentiated capacity optimization strategies are being implemented to cater to various market characteristics.

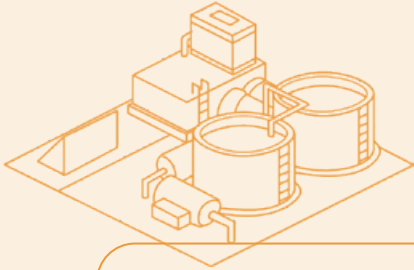
As of December 31, 2024, CR Beverage has successfully

deployed **15**

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Along with partnerships with

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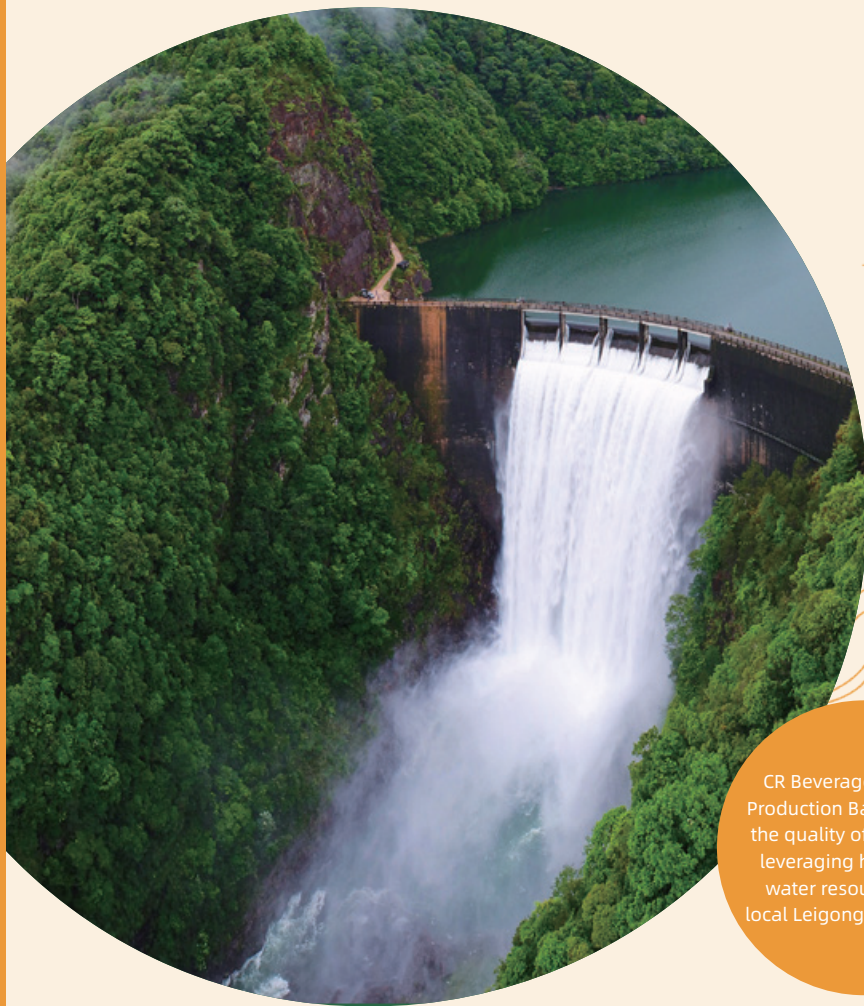
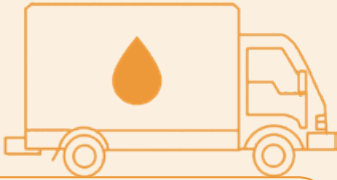


Central production bases are established in regions with mature markets and concentrated production capacity

This includes the construction of new factories near water sources (such as the Wanlv Lake Factory) and expanding existing self-owned factories in major sales markets (such as Changsha Phase II and Chengdu Phase II). Advanced imported high-speed production lines are implemented to minimize water, material, and energy consumption. Centralized large-scale production can enhance production efficiency, gradually consolidate and eliminate outdated production capacity in the same area, improve the overall production automation level and production efficiency of the area, and reduce resource waste caused by overlapping production capacity and intersecting warehousing and logistics networks.

In rapidly expanding and geographically extensive supply regions

production capacity will be proactively arranged based on sales development trends and market potential. This strategic approach aims to enhance service timeliness, support sales growth, minimize transportation distances, reduce logistics resource consumption, and lower overall operating costs.



CR Beverage Wuyishan Production Base enhances the quality of products by leveraging high-quality water resources of the local Leigongkou Reservoir



Automated production line at Yixing Factory of CR Beverage

In light of the competitive landscape under the new circumstances, CR Beverage will continue to uphold the "customer-centered" business philosophy, deeply understand market trends and changes in consumer preferences, seize the opportunity in the complex and dynamic market environment. Its goal is to achieve sustainable development by offering consumers enhanced and more diverse beverage options, thereby leading the new trend in industry advancement.



Providing high-quality products and services

>> Strengthening product management

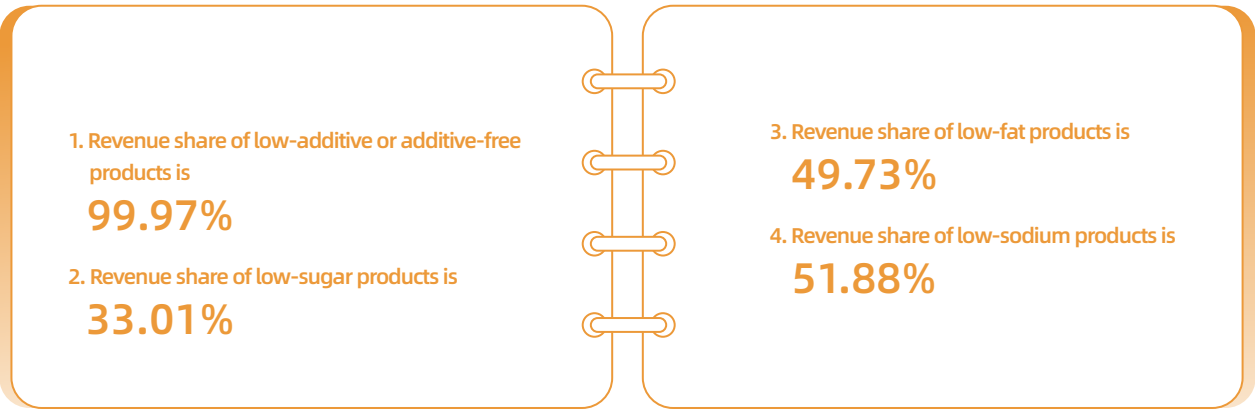
Consumer demand analysis

By conducting multi-category consumer brand monitoring research, CR Beverage has observed consumers' preferences and loyalty across various categories over several consecutive years, thereby gaining in-depth insights into cross-category competition trends. In the research on herbal beverages, it was found that consumers possess a natural "sense of familiarity" with this category because herbal beverages are deeply rooted in traditional culture. As an integral part of Chinese family diets, evoking childhood tastes is the key to strengthening the "sense of familiarity." In the monitoring of packaged water category, there exists a significant growth opportunity for both large-packaged water and portable small-packaged water in terms of production specifications, especially for married families with children, who are more inclined to consume large-packaged water. Currently, large-packaged water is widely used in daily household activities such as drinking and cooking.

Building healthy products

CR Beverage places significant emphasis on understanding and addressing customer consumption needs and is committed to providing the public with a safe, healthy, and enriching life experience. In terms of product development, the Company adheres to the development philosophy of health and deliciousness, actively arranges low-sugar and sugar-free products, and continues to increase the proportion of low-sugar and sugar-free products. within its offerings. Simultaneously, CR Beverage is committed to health, environmental protection, and sustainable development. The Company innovates in product concepts, formulations, and packaging—while paying close attention to consumers' health, nutritional requirements, and functional preferences. As a result of these efforts, CR Beverage consistently launches a series of high-quality products to comprehensively protect consumers' health.

Revenue share data of nutrition and health products in 2024



Note: "Low-additive or additive-free products" refer to products that contain no or fewer artificial additives, such as preservatives, food colorants, aspartame, and other disputed additives, than regular food products. "Low-sugar products", "low-fat products" and "low-sodium products" refer to products that comply with the GB 28050-2011 National Food Safety Standard - General Rules for Nutrition Labeling of Prepackaged Foods.

>> Improving quality management

Focusing on product quality

CR Beverage attaches great importance to product quality and implements a comprehensive range of quality inspection and testing procedures at various stages of the operational process, including appearance inspection, physical and chemical inspection, microbial testing, and weight inspection, to ensure that the products meet relevant quality standards and comply with applicable laws and regulations. CR Beverage implements the proprietary *CR C'estbon Full Value Chain Food Safety and Quality Management System* (SPM Management System for short). The Company is committed to continuously enhancing the system documentation that encompasses quality management and food safety policies for all products in the *Production Technology Management Specification, Inspection Technology Management Specification, and Food Safety Management Specification*. In strict adherence to the standards specified in the SPM documents, the Company enforces rigorous inspection and testing processes in the links of raw material acceptance, production process quality monitoring, finished product delivery quality inspection, and product release, and implements a 100% product testing in the whole process to ensure that the selected raw materials meet qualification criteria and that all products entering the market are of high quality.

Quality management system certification

CR Beverage is committed to the continuous implementation of a food safety management system certification and rigorously adheres to food safety management throughout the production process in accordance with ISO and FSSC22000 system standards, adhering to the bottom line of food safety. In 2024, all factories that had been officially operational for one year successfully achieved the FSSC22000/ISO22000 system certification.

Factory name	Certification name	Certification date	Certification valid until
Jiangmen Factory	FSSC22000	December 6, 2024	January 10, 2028
Shenzhen Factory	FSSC22000	December 18, 2022	December 17, 2025
Zhaoqing Factory	FSSC22000	July 17, 2023	July 16, 2025
Nanning Factory	FSSC22000	November 15, 2023	November 14, 2026
Zhuhai Factory	FSSC22000	January 28, 2024	January 27, 2027
Changsha Factory	FSSC22000	December 31, 2024	January 4, 2028
Lu'an Factory	FSSC22000	August 29, 2024	September 5, 2027
	ISO22000:2018	August 29, 2024	September 5, 2027
Shanghai Factory	FSSC22000	September 18, 2022	September 17, 2025
	ISO22000:2018	September 18, 2022	September 17, 2025
Chengdu Factory	FSSC22000	June 1, 2023	May 31, 2026
	ISO9001:2015	June 1, 2023	May 31, 2026
Yixing Factory	FSSC22000	December 6, 2024	December 5, 2027
Wuhan Factory	FSSC22000	October 10, 2024	August 8, 2026



Implements a

100%

product testing in the whole process



Focusing on label compliance

In strict compliance with the *Law on Food Safety of the People's Republic of China*, the *Implementation Regulations of the Law on Food Safety of the People's Republic of China*, the *National Food Safety Standard - General Rules for Nutrition Labeling of Prepackaged Foods* (GB 7718-2011) and other relevant laws, regulations, and standards, CR Beverage has established a rigorous label review mechanism. This mechanism mandates that prior to the production of new product labels, they must undergo a collaborative review involving departments such as market, production, quality, regulations and other departments. Following production, regular random inspections shall be conducted. To enhance this process further, CR Beverage has developed a digital label management system that facilitates concurrent processing during the review process. With its robust capabilities, this system enables swift and precise identification of label discrepancies to assist auditors in their decision-making processes.

Product recall and emergency response

CR Beverage strictly adheres to the requirements in the Company's SPM document and *Food Safety Management Standards*. We are committed to continuously enhancing the *Product Recall Management System*, optimizing the product traceability and recall management process, and clearly defining the responsibilities of all parties involved. To ensure stable production and operations, we implement a multi-source procurement strategy that reserves alternative suppliers of productive materials. Additionally, we conduct at least two simulated traceability and recall drills each year to guarantee that in the event of food safety incidents, products can be recalled swiftly to minimize potential harm to the public.

Product quality management training

CR Beverage actively fosters a quality culture grounded in the principle of "conscientious quality, created by all employees". In terms of product quality management training, the curriculum encompasses various elements such as quality culture, quality awareness, document specifications, and applicable laws and regulations. These training sessions are conducted on a monthly and annual basis, targeting all self-owned factories and OEM factories under China Resources. Throughout the year, a total of 693 quality training sessions were organized and executed, achieving a training participation rate of 100%.

In 2024, the training on improving the system audit ability of quality management personnel of the headquarters was conducted, mainly focusing on three aspects: system thinking, audit knowledge, and audit skills. The training included standard explanation, case analysis, group exercises and achievement sharing among participants. We successfully implemented a specialized training program for core team members and elevated the overall quality of our team through various methods such as daily service quality spot checks and coaching sessions, evaluations of business knowledge and skills, as well as training activities designed to establish Youth Model Units.

Throughout the year, a total of **693** quality training sessions were organized and executed

Achieving a training participation rate of

**100%**



CR Beverage carried out training on improving the audit capabilities of the quality management system



Heyuan Factory invited external authoritative institutions to carry out FSSC22000V6 system content training for core personnel of the factory

» Protecting the rights and interests of customers

Privacy protection

CR Beverage places a high priority on customer privacy and information protection, strictly abides by the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, implements the *Guidelines for the Exercise of Rights of Personal Information Subjects*, the *Guidelines for the Security Management of Data Cross-Border Transfer*, the *Rules for Data Storage and Deletion*, the *Guidelines for Personal Information Protection Impact Assessment* and other personal privacy and data security related specifications, and strengthens the management practices concerning data security and personal privacy data security. To ensure system data security, CR Beverage revised its *CR Beverage User Account and Authority Management Specification*. In 2024, there were no significant cybersecurity incidents or major breaches involving information or customer privacy leakage.

In 2024, there were **no significant**

were cybersecurity incidents

Responsible marketing

CR Beverage places significant emphasis on responsible marketing, continuously enhancing and fortifying its responsible marketing system. The Company conducts responsible marketing review process through market visits, inventory checks, and follow-up on complaints. This comprehensive approach encompasses order verification, inventory checks, promotion standardization, product labeling and other links to regulate market order and ensure compliance with marketing standards. CR Beverage is committed to ensuring that the sales and promotional activities of its product are closely aligned with their quality and brand image to avoid any exaggerated or misleading representations. The Company enforces stringent standards and regulations regarding product labels to guarantee the authenticity and accuracy of label information while making it easily understandable for consumers. We strictly adhere to relevant laws and regulations, resolutely eliminate false information and publicity content that may mislead consumers, and effectively protect the rights and interests of consumers. Regular training sessions focused on responsible marketing are conducted. In 2024, the Marketing Center introduced an innovative training model for newly hired employees in the marketing department, characterized by a combination of "online preheating and offline empowerment." This initiative aims to provide a unified interpretation of product selling points and terminology while comprehensively promoting the use of promotional materials, addressing issues with subpar products, and managing customer complaints. The training participation rate of new employees reached 100%.





>> Upgrading service quality

Active after-sales service

CR Beverage has established a dedicated customer service center to facilitate communication with consumers. The Company has developed clear customer service standards and specifications for handling complaint, ensuring effective supervision of implementation while continuously enhancing the mechanism for addressing customer feedback. The national consumer service hotline (4008884933) is prominently displayed on product packaging and the official website. Additionally, an active after-sales service system has been created through various channels, including the official Weibo account, Xiaohongshu official account, Douyin official account, sales front line interactions, third-party satisfaction survey, and public opinion monitoring. CR Beverage actively engages with customers to gather feedback and suggestions, provides customers with "sincere, thoughtful, meticulous, patient, and reassuring" services, thereby establishing a warm communication bridge between customers and the enterprise.

Responding to customer complaints

CR Beverage adopts a customer-centered approach, placing significant emphasis on customer feedback, and ensuring timely responses. When customers express dissatisfaction with product quality or service, our customer service representatives meticulously document their concerns and promptly relay this information to the relevant departments. Typically, this transfer is completed within half a working day. The handling department will reach out to the customer within 24 hours and resolve the issue within two working days. In cases where timely resolution is not feasible due to objective circumstances, the handling department must proactively communicate the reasons for any delays to the customer and provide update on both feedback and progress. While addressing customer objections, all involved parties are required to conduct thorough analyses of underlying causes to avoid the recurrence of similar issues. In 2024, the CR Beverage's consumer service hotline delivered over 61,000 manual services to customers, among these interactions were 3,229 formal complaints, achieving a complaint resolution rate of 100%.



In 2024, the CR Beverage's consumer service hotline delivered

over 61,000

manual services to customers

Achieving a complaint resolution rate of

100%



CR Beverage efficiently resolved the customer complaint of "the empty bottle" by exchanging sincerity for trust

On December 14, 2024, the CR Beverage office received a consumer complaint via a certain media platform regarding a pack of film-wrapped C'estbon bottled water. The complaint mentioned that one unopened product in the pack was found to be empty.

After receiving the complaint, the Company promptly activated its response mechanism and reported the situation to the marketing department. The official account of the marketing department immediately reached out to the consumer via private messages. After the consumer provided their mobile phone number on December 18, the marketing department swiftly escalated the matter to the customer service center for follow-up. In the morning, the customer service personnel promptly reached out to Mr. Wang, the consumer, to discuss and understand his situation. Mr. Wang reported that approximately ten days ago, he had purchased a pack of film-wrapped C'estbon 555 mL bottled water from the store located downstairs. He later discovered that one of the unopened products was empty, while another bottle exhibited signs of water seepage at its base. No abnormalities were noted in any of other products. After thorough communication and clarification, the consumer acknowledged that the bottom of the empty bottle product was also damaged, and recognized that the individual product packaging had been damaged due to external forces encountered during circulation, storage, and transportation. Consequently, water leaked from the bottle, resulting in its emptiness.

Finally, after friendly communication and exchange, the issue was successfully resolved. The consumer acknowledged the efficient, professional, and responsible approach taken by CR Beverage in handling the matter.

This incident served as a wake-up call for CR Beverage, presenting an opportunity to further enhance the quality of service. To prevent similar issues from recurring at their source, CR Beverage has implemented the CR Beverage Logistics Operation Management System. This system aims to comprehensively strengthen the safeguards throughout the warehousing and transportation, ensuring meticulous loading and unloading practices. In cases where leakage or damage is detected during receiving and dispatching, timely replacement and compensation measures will be enacted. At the same time, we continue to oversee the market quality process according to the Market Quality Management Standards. We conduct market visits and product sampling while regularly assessing our capabilities for protecting product quality. This ensures that food safety risks associated with products during storage and circulation are effectively minimized.

Product recall and compensation

CR Beverage strictly implements the provisions of the Law of the People's Republic of China on Food Safety and the Food Recall Management Measures. Once the Company identify any instances where food safety standards are not met, or there is evidence suggesting potential harm to human health, it will immediately stop production, initiate a recall of any unsafe products that have been distributed in the market, notify the relevant producers and consumers, and document both the recall process and notification issued. The recalled products are disposed of in accordance with applicable regulations, while simultaneously fulfilling responsibilities related to consumer return and compensation. There were no product recalls in 2024.

There were no product recalls in 2024.



### Improving customer satisfaction

CR Beverage continuously monitors changes in customer satisfaction, optimizes its customer service, and enhances overall customer satisfaction; We strengthen our customer relationship management by understanding customer feedback from multiple perspectives and utilizing survey results as a guiding framework for improving customer satisfaction. This approach enables us to establish a closed-loop management for maintaining robust customer relationships.

2024 marks the 19th year of CR Beverage's ongoing consumer satisfaction survey, which encompasses 13 cities, including Beijing, Guangzhou, Shenzhen, Shanghai, Chengdu, and Changsha. The indicators monitored in this survey include product quality, product taste, product packaging, product price, promotion and sales service, and corporate/brand image. According to the survey results, the overall satisfaction of consumers has reached 89 points—an increase of 2 points compared to last year.

The overall satisfaction of consumers has reached

89 points

an increase of 2 points compared to last year.

### >> Shaping brand value

CR Beverage continuously organizes and implements a variety of brand promotion activities aimed at enhancing brand recognition and increasing brand awareness. The C'estbon brand centers its core message around "Yours and my C'estbon", which is designed to cultivate an image of "considerate, quality-assured, and trustworthiness". Under the theme of "Yours and my C'estbon, the official drinking water of TEAM CHINA", a series of sports marketing and promotion initiatives have been executed. These efforts include both online and offline media advertising exposure, significant exposure in events such as the Chinese Super League (CSL) and marathon, as well as extensive public transportation advertising campaigns in key cities nationwide. Additionally, C'estbon has conducted themed consumer promotion activities along with engaging terminal displays during festive seasons, college entrance examination month, and back-to-school months to strengthen interaction with consumers while enhancing overall brand exposure.

According to the "2024 China Brand Footprint Report" released by Kantar Worldpanel, the C'estbon brand has been recognized in Kantar's "Top Ten Beverage Brands Most Chosen by Consumers in 2023", achieving an impressive rise of two positions compared to the previous year. Additionally, it has earned the title of the "fastest-growing major brand in the beverage category". A series of strategic brand promotion activities have significantly enhanced its overall brand value.



As the official drinking water of TEAM CHINA, C'estbon provides safe and healthy drinking products services for over 70 national teams

## Creating a happy workplace

### >> Safeguarding employees' rights and interests

#### Complying with employment regulations

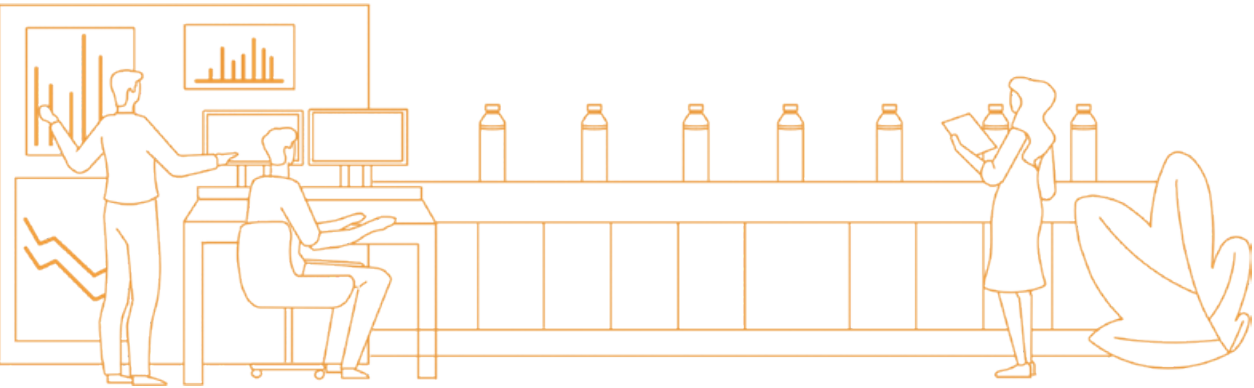
CR Beverage strictly abides by the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Provisions on the Prohibition of the Employment of Child Labor*, the *Law of the People's Republic of China on the Protection of Minors* and other laws and regulations, and has formulated the *Policy of Employee Entry and Left Management*, the *Labor Contract and Employment Regulations*, the *Attendance and Leave Management Measures* and other employment-related management system to safeguard the legitimate rights and interests of employees in accordance with the law. CR Beverage is committed to respecting the will of employees, strictly prohibiting any form of discrimination, and opposing any form of forced labor, harassment, and abuse. The employment of individuals under the age of eighteen is expressly forbidden. Any violations related to child labor or forced labor will be addressed in accordance with legal regulations. CR Beverage ensures fair treatment for employees from diverse ethnic backgrounds, genders, ages, cultural contexts, and religious beliefs. The company actively promotes equal employment opportunities for migrant workers and individuals with disabilities while making concerted efforts to attract retired military personnel and women into the workforce. Additionally, CR Beverage supports Hong Kong youth in seeking employment and development opportunities on the mainland. In 2024, the Company did not encounter any significant labor disputes nor was there any evidence of discrimination throughout all aspects of employment.

The Company did not encounter any significant labor disputes in 2024

#### Providing employment opportunities

CR Beverage actively implements the localization employment policy that supports local economic development and promotes local talents to achieve full employment and high-quality employment. Currently, local employees constitute 37% of our workforce. In addition, CR Beverage has adopted an outsourcing strategy for workshop operation, warehousing forklift services and handling tasks in alignment with the actual production needs of our business. This approach addresses the flexible employment requirements of both enterprises and workers while fostering diversification in the local employment market. Furthermore, CR Beverage is committed to fulfilling its social responsibilities as a central enterprise based in Hong Kong. We respond proactively to the Group's summer internship program designed for Hong Kong university students and Hong Kong youth by providing internship positions and training exchanges. As part of our recruitment efforts in 2024, CR Beverage successfully hired 2,210 individuals.

In 2024, CR Beverage successfully hired 2,210 individuals



Compensation and benefits

CR Beverage adheres strictly to the laws and regulations governing compensation and benefits, as well as rest and vacation. The Company continuously optimizes and enhances its internal system while reinforcing the mechanism that links organizational performance with individual contributions. In addition to fulfilling local government requirements for social insurance and housing provident funds for employees, the Company has implemented an enterprise annuity plan, supplementary commercial insurance, annual health examinations, and other welfare provisions. These initiatives are designed to further maximize the effectiveness of incentives and guarantees associated with compensation and benefits.

The Company is dedicated to optimizing the performance management and diversified incentive mechanism for all employees. We are enhancing the annual and tenure-based performance assessments for management personnel, while also refining the employee performance management system and its associated policies. Furthermore, we are advancing reforms in the assessment of sales systems and incentive structures, with a strong emphasis on strict adherence to value distribution and performance evaluation standards. Special incentives will be introduced to motivate employees, encouraging them to exert greater effort in their work and thereby achieve higher compensation. This approach aims to further invigorate workforce vitality.

Democratic management

CR Beverage continues to improve the system of the employees' representative assembly, foster the awareness of employees' participation in the operation and management of the Company, and gather strong synergy to drive the high-quality growth of the Company. In 2024, the Company convened the second session of the first Workers' Representative Congress, during which the representatives attentively reviewed the Company's business report, examined and approved the *Guidelines for the Competitive Recruitment of Management Personnel of CR Beverage*, etc., to enhance the mechanism for expressing employee demands and effectively safeguard the employee's right to know, participate, express and supervise.



The First Session of the Workers' Representative Congress

Grievance support

In order to fully leverage the "safety valve" role of the employee grievance handling mechanism, the labor union maintains the grievance channels for employees to voice their rights and interests through diversified forms such as member representative congresses, questionnaires, and labor union's email inboxes. Additionally, measures such as tracking and feedback mechanisms are employed to ensure the smooth expression and effective reflection of employees' demands. By the end of 2024, the Company had not received any complaints regarding violations of employees' rights and interests.

By the end of 2024, the Company had **not received** any complaints regarding violations of employees' rights and interests

» Supporting growth and development

Streamline career progression channels

CR Beverage has established a relatively complete post rank system that meets the development needs of the Company. By setting up "management/professional" promotion and development dual channels, the Company clarifies the qualifications and conditions for the post, establishes a job-specific skill level evaluation mechanism, encourages employees to continuously improve their professional and technical capabilities, and provides clear and diversified career development paths for employees. At the same time, the Company adheres to the correct employment orientation of "promoting the capable, rewarding the excellent, demoting the mediocre, and eliminating the inferior", dynamically optimizes the talent team, continuously strengthens the post experience of employees, and accelerates the growth and development of talents. In 2024, the Company promoted the exchange and rotation of nearly 1,700 employees.

In 2024, the Company promoted the exchange and rotation of nearly

**1,700** employees

Improving culture system

CR Beverage has always adhered to the talent development concept of "respecting people's values, developing people's potential, and sublimating people's minds", and is committed to the growth and development of employees, the construction of talent echelons, and the improvement of organizational capabilities. Based on the requirements of the Group's "3+1" talent team construction, a hierarchical and classified training system for talents in operation management, marketing, skills, and technology is established. At the same time, the training management mechanism is improved to continuously enhance employees' leadership and professional abilities, providing organizational support for talent training and development.

Meanwhile, CR Beverage focused on three major strategic goals and five strategic layouts, aligning with the Group's Four Reborn and the Company's "14th Five-Year" Plan mid-term review. Targeted training for 3+1 talents was provided through strategy implementation, pipeline training, professional ability promotion, and resource construction to foster parallel development of business and talents and help the Company with business development, reform and innovation, and the implementation of culture. In 2024, the Company invested a total of RMB 4.188 million in employee training, providing training to over 70,000 persons-times, achieving a training participation rate of 97.3%, and a per capita training duration of 17.8 hours.

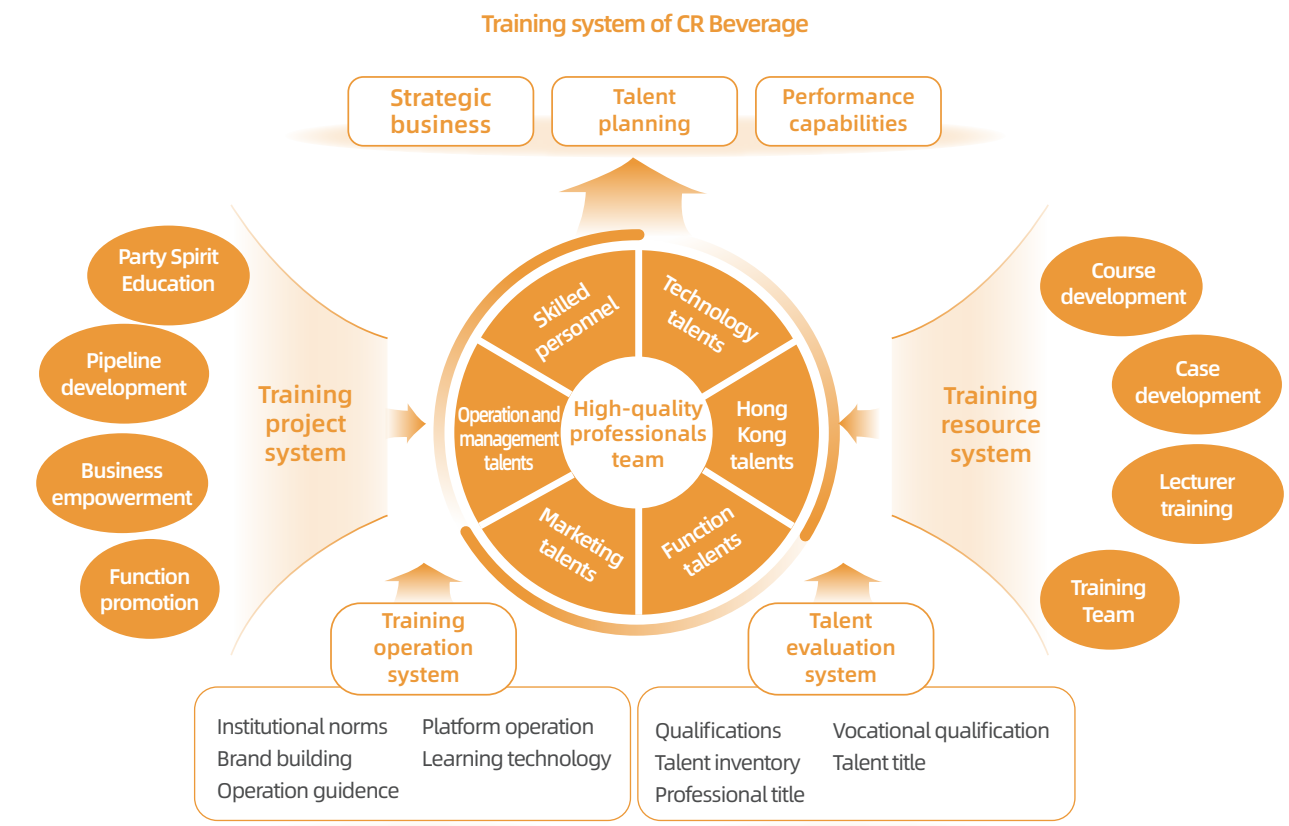
Providing training to over **70,000** persons-times

Achieving a training participation rate of **97.3%**

The Company invested a total of RMB **4.188** million in training

A per capita training duration of **17.8** hours



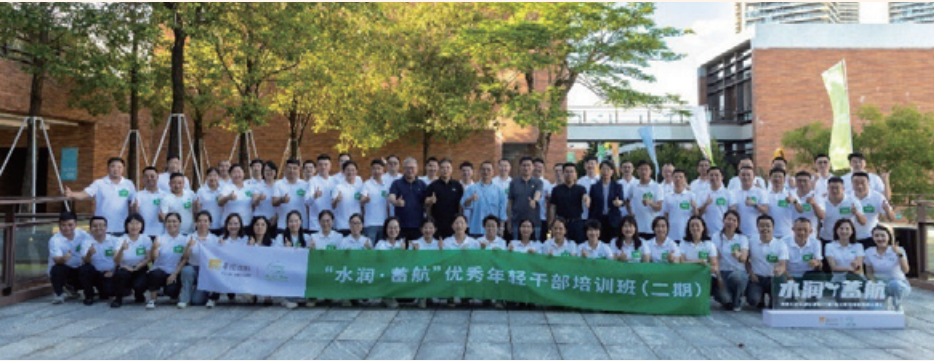


Training system of CR Beverage															
CR Beverage															
Learning and development center															
Talent teams	Hong Kong talents		Marketing talents		Operation and management talents		Skilled talents		Technology talents		Functional professionals				
Categories	Water young series				Hydration series		Caster series		Wisdom leadership series						
Levels															
All staff	Training officials by rotation, honesty education, party discipline education and special party courses for party members of central enterprises														
	The functional public course of Hydration·Erudition Workshop Capability Enhancement Open Course, combined with Water Young·Pioneer Learning Workshop and Master Class projects, was carried out to empower all staff and improve the core competitiveness of employees														
Direct management cadres	Water young · Hong Kong talent training plan	Water young · Marketing management training camp	Water young · Modern king training camp	Water young · Marketing training camp	Hydration · Lead Navigator Middle Management Training Camp				Engineer plan · Technical expertise training project	Product R&D Talent Workshop	Inspection and testing technology promotion class	Smart science and technology talent training class	Human resources professional ability promotion class	Financial management training class	Orientation training for new secretaries of primary-level party organizations
					Hydration·Aid navigation Deputy official (expansion) training class										
					Hydration·Storage Outstanding young leader training class										
					Hydration·Setting Sail Core talent training class										
					Water young·Power camp Backup manager training class		Hydration·Youth Trainee advancement training camp								
Core cadres					Water young·Grassroots commander Sales leader training class		Line leaders Training camp								
Grassroots staff	Campus hires Future star new employee training camp						Experienced hires Orientation training class								

Case | CR Beverage conducted diversified training to empower talent training

Management and leadership training: Training course for outstanding young cadres

In order to further advance the construction of leader pipeline, CR Beverage is dedicated to nurturing a group of exceptional young cadres who possess both integrity and capability, as well as courage and vitality. To this end, we have organized training program, which emphasizes the objectives of inspiring passion, building strength, and pursuing aspirations, is implemented in phases through various methods including specialized course learning, business practice, action learning and more. This approach aims to assist trainees in broadening their perspectives, exploring innovative avenues for business development, and cultivating a team of remarkable young leaders with core competencies.



Further Reading



2024 C'estbon "New Drink Power" University Innovation Challenge successfully concluded

Marketing talent training: Water young · Modern king training camp (Phase III)

Adhering to the principles of being strategy-oriented, business-oriented and problem-oriented, the marketing system of CR Beverage has continued to enrich the Water Young series of training camps. A total of 291 marketing talent training sessions were conducted for talents of various professional lines and pipelines on a tiered and category-specific basis, achieving 100% coverage in the region. To implement the strategy of developing emerging channels outlined in the "14th Five-Year" Plan and to cultivate a group of professionals equipped to meet the demands of modern channel business development, the Marketing Center launched the Water Young · Modern King Training Camp (Phase III). Through market visits, professional empowerment and business seminars, this training program clarified combinations of conveniences, identified catering opportunities, developed expansion strategies for hotels, governments and enterprises, and continuously enhanced the professional competence of modern channel teams, so as to promote rapid development within emerging channels.



Skilled personnel training: grassroots skill training

CR Beverage prioritizes improving the ability of grassroots operators to apply new production lines and new technologies. The production center organized 86 training sessions for various skilled personnel, including special training for aseptic lines, yellow belt & QCC training, special training for preform injection molding backbones, and technical exchanges. In the meantime, the factories promoted training and empowerment through technology empowerment, in-class examinations, on-site observations and more to improve the quality and productivity, achieving 100% coverage. The Company put a premium on improving the abilities of grassroots line leaders and held the second and third phases of line leaders training camps. Aligning with the "234" operation goal, the Company follows the training ideas of training empowerment, project practice and certification and review to enhance line leaders' ability to manage daily business and improving system and consolidate the construction of skilled personnel pipeline, so as to put the new factories into operation faster and more stably.



>> Caring for employees

Safeguarding employees' health



Implement the *CR C'estbon Quality, Environmental Health and Safety System*, EHS Management System and corresponding standards/specifications to achieve standardization and regularization of the work around occupational health; Develop occupational health managers continuously, enforce occupational health requirements, and perform special inspections to improve the Company's capabilities to manage occupational health; Improve the occupational health hazard source database, refine the comprehensive risk assessment of occupational disease hazards, and implement graded and categorized management for occupational disease hazards; Encourage employees to report occupational health hazards in their jobs, promote occupational health improvement, and select excellent improvement cases to create a good working environment for employees. In the meantime, the Company continues to promote the construction and certification of ISO 45001 occupational health and safety management system.



Care about the physical and mental health of employees and create a harmonious and positive cultural atmosphere. Relying on China Resources Group's "Runxin Lounge", we use offline on-site services, online consultation hot-lines and employee voice platforms to solve the difficulties and confusion faced by employees and create an atmosphere of healthy work and life through proactive communication, professional intervention, and a high priority on adjustment.



Prepare activity plans and call for making publicity posters or writing articles for publicity. Use the Run Work Platform to distribute the manuals of Law on the Prevention and Control of Occupational Diseases to subordinate units to learn; Each primary-level unit displays the theme through electronic screens and banners, pastes posters on the bulletin board to publicize the Law on Prevention and Control of Occupational Diseases, and carries out activities such as warning education and training on occupational health, special governance of occupational disease hazards, special inspection of occupational health.

Information on Publicity Week of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases in 2024

Theme publicity campaigns

107 Case

Publicity and consultation

69 Case

Warning and education

111 Case

Publicity materials distribution

713 Copy

Number of publicity videos

32 Segment

Number of publicists

95 Person-time

Number of audiences

14,014 Person-time



Deepening human care

CR Beverage advocates the value concept of "Caring, Mutual assistance, Gratitude and Growth", and sets up the "Employee Mutual Aid Fund" to provide timely assistance and support for the employees whose families suffer from major diseases, accidents or natural disasters, so as to solve their pressing needs. By the end of 2024, the Employee Mutual Aid Fund had funded 218 employees' families, with more than RMB 6.371 million of mutual aid funds distributed.

The Company is committed to the strict implementation of the *Special Provisions on Labor Protection of Female Employees*, ensuring the protection of their legitimate rights and interests and special interests of female employees in accordance with the law. With a focus on welfare, career development, rest and vocation, health management services, we have enhanced our mother-baby care room, and organized initiatives such as "Supporting Female Employees: Law by Your Side", breast and cervical cancer screening, youth social events aimed at promoting legal awareness. Our goal is to foster a fair and supportive environment for the career development of female employees.



International Women's Day Activities

By the end of 2024, the Employee Mutual Aid Fund had funded

218 employees' families

More than RMB

6.371 million

of mutual aid funds distributed.

Organizing cultural and sports activities

CR Beverage organized a variety of distinctive activities with rich content, guiding employees to engage in their work with a healthy body and a positive mindset. In 2024, relying on seven cultural and sports associations, 287 sports and cultural activities, including ball games, yoga, and choir, were organized. These events allowed employees to experience the charm of life outside of work and approach both their work and life with the most positive and vibrant mindset.



Employee fun sports meeting

In 2024, relying on seven cultural and sports

associations, 287 sports

and cultural activities, including ball games, yoga, and choir, were organized



## Partnering for mutual success

### >> Deepening strategic cooperation

CR Beverage enhances its external communication through surveys, visits, discussions, and participation in various activities. The Company is committed to continuously strengthening strategic cooperation with local governments, outstanding enterprises, universities, research institutes, and industry-academia collaborations to foster a robust and healthy business ecosystem. By focusing on key development challenges, the Company actively explores new cooperation opportunities, aligning its business with national and regional development. It shares capabilities and resources with partners and continues to advance the implementation of projects.



In 2024, CR Beverage, in collaboration with Tsinghua University Shenzhen International Graduate School, jointly established the "Microbial Control and Application Technology" Research Center. Significant research progress was made on critical challenges in new product development



In 2024, CR Beverage, in collaboration with South China University of Technology and the Guang Dong Institute of Food Science and Technology, jointly hosted the 2024 C'estbon "New Drink Power" University Innovation Challenge. Through university-enterprise collaboration, the event deepened industry-academia-research integration, providing innovative ideas and directions for new beverage product development

### >> Strengthening media communication

CR Beverage actively engages in diverse communication practices, adhering to the principles of "proactive contact, daily maintenance, and timely response." Through its official website, WeChat, Weibo, Xiaohongshu (Little Red Book), Douyin, Bilibili, and other social media platforms, the Company continuously delivers positive and constructive messages to the public, showcasing its robust brand image and cultural values. The Company diligently maintains communication and collaboration with the media, fostering strong connections with central media, mainstream media, financial media, professional media, and influencers. It conducts a series of promotional activities aimed at enhancing public awareness and overall reputation of the Company's brand.

In 2024, CR Beverage did not experience any significant negative public opinion events. Throughout the year, a total of 247,446 pieces of public opinion information were recorded, including 55,492 news articles, 54,025 online videos, 88,428 Weibo posts, 36,826 WeChat posts, 11,283 Xiaohongshu posts, and 1,392 forum and blog posts. Among the total public opinion data, there were 45,512 positive pieces (accounting for 18.34% of the overall public opinion information). Throughout the year, no negative public opinion incidents were recorded. There were 75 online customer complaints (accounting for 0.03% of the overall public opinion information). Furthermore, when relevant online customer complaints arose, the Company responded immediately and implemented appropriate measures. We actively enhanced our management practices to reduce the occurrence of negative public opinion at its source.

In 2024, CR Beverage did

**not  
experience**

any significant negative  
public opinion events

### >> Contributing to industry development

CR Beverage values cooperation and communication both within and outside the industry. The Company continues to strengthen and deepen partnerships with over 30 professional industry associations (including their branches) while actively participating in industry events such as the China Beverage Industry Association Annual Meeting series and the 2024 IMic 12th Industrial Microbiology Conference. These initiatives facilitate information exchange and resource sharing within the beverage industry. Simultaneously, CR Beverage has engaged in the development of seven group standards and held more than 10 industry review and examination meetings with sectors such as the tea industry, chrysanthemum tea industry, and process digitization. The Company successfully completed the development of 4 *group standards: Chrysanthemum Sensory Evaluation Method, Sweet Floral Flavor Large-leaf Type Gongfu Black Tea, Sensory Analysis - Guidelines for Evaluating Astringency Intensity in Beverages and Beverage Alcohols, and Sensory Analysis - Bitterness and Astringency in Beverages and Beverage Alcohols*. These four group standards have been successfully published. In recognition of its achievements, CR Beverage was honored in 2024 with titles such as "Top 10 Packaged Drinking Water Enterprises in the Chinese Beverage Industry" and "Shenzhen Time-Honored Brand."

Held

more than **10**  
industry review and  
examination meetings

Completed the  
development of

**4**  
group standards,  
and have all been  
**successfully  
released**



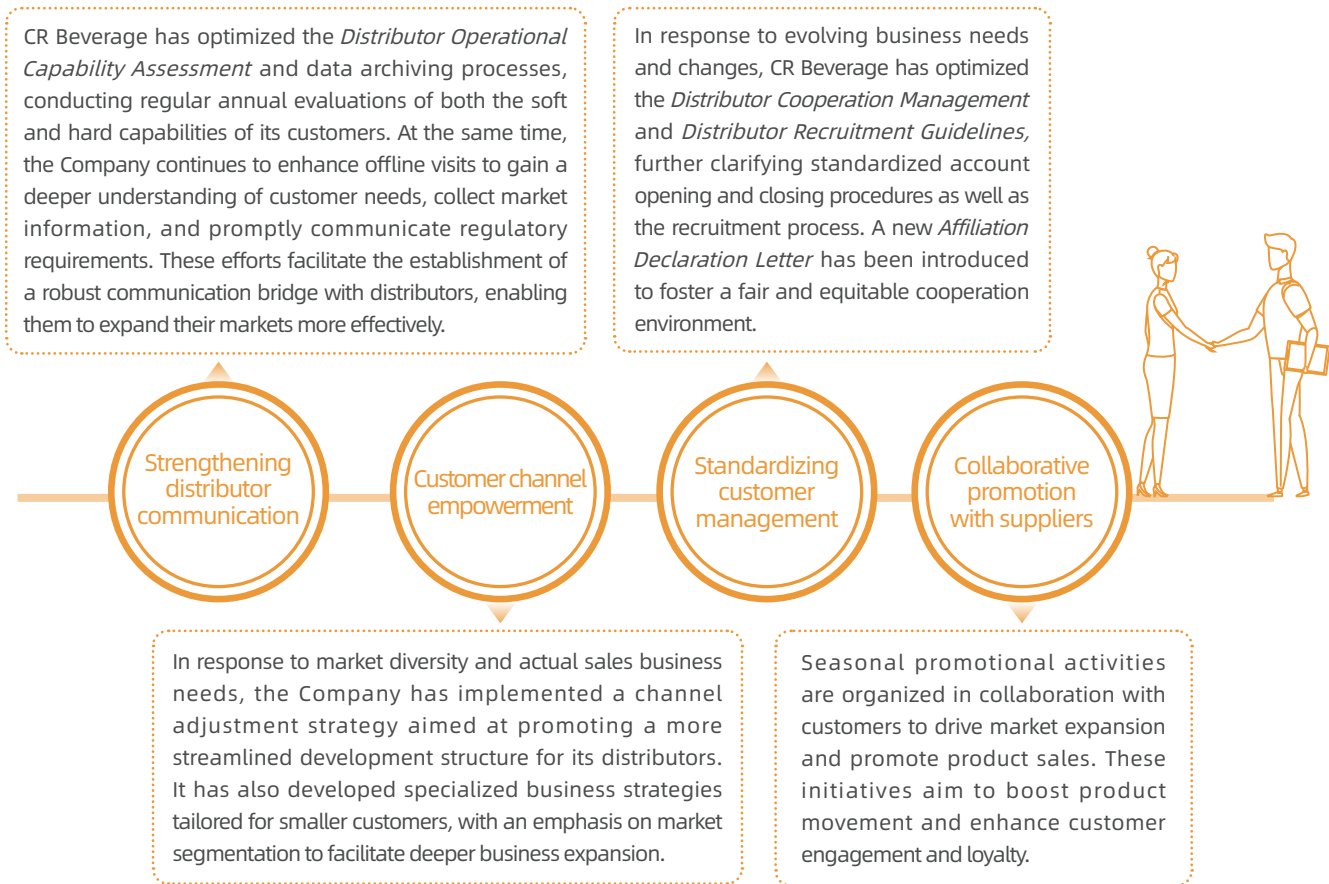
CR Beverage has been honored as one of the "Top 10 Packaged Drinking Water Enterprises" in China's beverage industry

## Promoting supply chain responsibility

### >> Upholding fair competition

CR Beverage strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and other relevant laws, regulations, and industry standards. The Company has established institutional policies such as the *Business Ethics Code of CR Beverage* and requires all employees to sign the *Code of Business Conduct*. It firmly opposes and strictly prohibits any actions that may undermine a fair competitive environment. In its procurement activities, CR Beverage requires the signing of the *Commitment to Integrity and Compliance* to ensure transparent procurement practices. The Company is committed to fostering a fair operational environment both internally and externally, safeguarding the rights of business partners and consumers alike, including the right to information, free choice, and fair trade. Through these initiatives, CR Beverage aims to build a fair and sustainable supply chain ecosystem.

>> Strengthening distributor development



>> Improving supplier management

CR Beverage is committed to fostering a clean, transparent, and open approach to supplier collaboration. The Company has implemented several policies such as the *CR Beverage Supplier Code of Conduct*, *Commitment to Integrity and Compliance*, and *CR C'estbon Production Material Supplier Management Guidelines*, which clearly outline the expected supplier behavior standards. These documents detail the Company's requirements regarding ethics, safety, health, labor standards, and environmental protection, with the goal of creating an open and transparent supply chain ecosystem.

Reviewing entry and admission review

The Company has implemented stringent supplier admission standards, thoroughly evaluating suppliers' qualifications (such as environmental protection, fire safety, and natural disaster preparedness), reputation, and historical collaboration performance. This rigorous selection process ensures that only qualified suppliers who meet all necessary criteria are chosen. Additionally, the Company conducts periodic inspections of suppliers' production facilities (such as labor relations), thereby ensuring compliance with the Company's ethical standards and commitment to social responsibility.

Performance evaluation of contract fulfillment

The Company collects and analyzes relevant data from suppliers (such as workplace injury incidence rates, emission levels, energy consumption, etc.) to evaluate their actual performance in labor, environmental, and safety management. To foster innovation among suppliers and encourage their engagement in public welfare initiatives while promoting environmental sustainability, health, safety, and social harmony, alongside fulfilling their social responsibilities, the Company has established a framework of technical support along with incentive-based bonus and penalty mechanisms. Negative behaviors will result in penalties. Suppliers are evaluated based on various factors including overall capabilities, transactional behavior, contract fulfillment, and other management aspects. Based on outcomes of these evaluations, suppliers will be rated, incentivized, or eliminated as part of the management process.

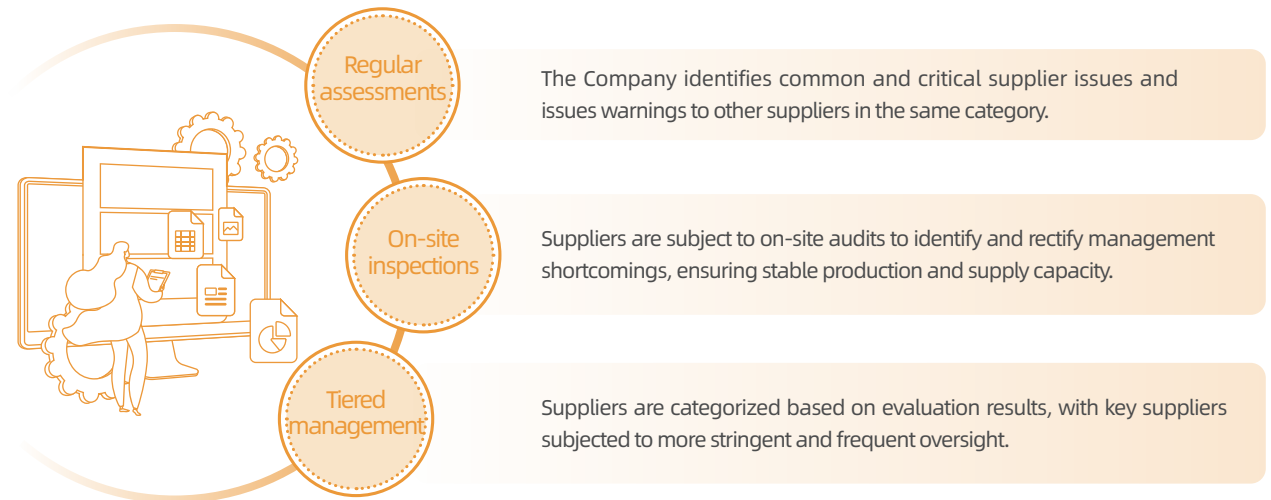
Based on the results of supplier assessments, CR Beverage classifies suppliers into different categories, such as Excellent, Good, Average, and Bad. Suppliers with outstanding evaluations receive weighted advantages during the annual bidding process. Those with identified issues are required to make corrective actions within a specified timeframe, with follow-up reviews ensuring compliance. Suppliers that violate business ethics and social responsibility standards face penalties, including suspension or contract termination.

Process control

The Company has established a transparent supply chain system, ensuring traceability of raw materials and components while closely monitoring production processes. Through the full adoption of electronic procurement and the continuous enhancement of the procurement management platform, CR Beverage strengthens compliance and efficiency in its procurement operations. A comprehensive management approach is in place, covering pre-procurement, in-process, and post-procurement supervision to mitigate risks effectively. To uphold ethical and responsible supplier behavior, the Company fosters collaboration among procurement, quality control, and legal departments. Additionally, a complaint resolution mechanism is in place to encourage employees, consumers, and stakeholders to report supplier misconduct, with swift corrective actions taken when necessary. A supplier feedback and communication channel is also available to address concerns and resolve disputes fairly.

Risk management and control

The company aims to "eliminate supply risks and ensure stable supply." In response to common, frequent, and key issues among suppliers, it has implemented measures such as early warning, training, and inspections to guide suppliers in strengthening their own management and prevention efforts. For key suppliers, the company conducts quality and commercial audits and inspections, reminding suppliers to reduce the recurrence of similar issues.





>> Supporting supplier growth

To foster a mutually beneficial partnership and promote social responsibility across the supply chain, CR Beverage has incorporated a “Special Support and Social Responsibility” scoring mechanism into its collaboration assessments. This initiative encourages coordinated development and incentivizes suppliers to take on social responsibilities. Suppliers actively engaged in public welfare activities, promoting green and low-carbon practices, advocating environmental protection, energy conservation, and ensuring safety and health can submit relevant documentation via the SRM supplier management platform. Upon verification by the relevant departments, additional points will be awarded in the annual comprehensive evaluation as an encouragement.

To support the growth of quality management capabilities among suppliers and cooperative production partners, CR Beverage provides at least one professional quality management training session each year. The training covers various topics, including quality culture, quality awareness, management systems, material standards, and the Company’s quality management requirements, such as control plans, specialized improvement initiatives, and audit standards. In 2024, CR Beverage conducted 80 quality training sessions for cooperative production partners, achieving training participation rate of 100%. In coordination with the Group’s unified initiatives, the Company organized over 80 key suppliers to participate in Quality Month activities and conducted evaluations, awarding additional points to outstanding suppliers.

In 2024, CR Beverage conducted **80** quality training sessions for cooperative production partners

Achieving training participation rate of **100%**

Focus on development in Hong Kong

Additionally, CR Beverage actively responds to the development strategy of the Guangdong-Hong Kong-Macao Greater Bay Area, aligning with the Group’s “Rooted in Hong Kong” strategic plan and steadily advancing various initiatives to strengthen its Hong Kong operations. Since launching its Hong Kong and Macao operations in 2019, CR Beverage has been continuously expanding the presence of its C'estbon products in the Hong Kong market. The Company actively engages with patriotic individuals and organizations to serve the wider community, strongly supporting various social, cultural, sports, science, education, and patriotic initiatives in Hong Kong. Through these efforts, it’s steadily enhancing its industry standing and social influence while contributing to Hong Kong’s economic development and livelihood improvements, aligning with the central government’s overall governance strategy for the region. Throughout the year, CR Beverage has donated approximately HKD 425,000 worth of bottled water products to various institutions and organizations across Hong Kong.

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>> Focusing on business in Hong Kong

CR Beverage officially listed on the Main Board of the Stock Exchange of Hong Kong on October 23, becoming the 18th listed enterprise of China Resources Group and the 9th company listed in Hong Kong. This marks a solid foundation for fulfilling social responsibilities as a state-owned enterprise in Hong Kong, contributing to the construction and development of the Greater Bay Area. The Company focuses on key tasks, adhering to top-level planning, strengthening responsibility, supporting the development of the Special Administrative Region’s economy, and showcasing the evolving story of Hong Kong. The Company has been involved in activities such as the "Midlife, Sing & Shine! 3" program on Jade, the Hong Kong Bulls Basketball Team, the "HELLO PANDAS" Outdoor Carnival, the 3rd China (Macao) High-quality Consumption Exhibition & Hengqin Global Bay Areas Forum. These efforts aim to increase product and brand engagement with consumers. The Company also continues to strengthen communication and cooperation with various retail industry associations, including the Chinese Manufacturers' Association of Hong Kong, the Hong Kong Food Council, and the Hong Kong Chinese Enterprises Association. It respects, protects, and cares for the rights and interests of business partners, maximizing the enthusiasm, initiative, and creativity of both internal and external stakeholders, uniting efforts for a common cause. In 2024, the business team focused on introducing new products, expanding channels, and strengthening market presence, successfully exceeding the budgeted net sales for the year.

>> Deepening public welfare activities

CR Beverage has partnered with the Food Angel Foundation, the Sowers Action Foundation, the Municipal Affairs Bureau’s Care Teams, Youth Teams, Volunteer Groups, and various communities to support grassroots outreach programs. These initiatives include delivering care to local communities, promoting patriotism and cultural education, and implementing scholarship programs, bringing love and warmth to the grassroots level in Hong Kong.



CR Beverage Hong Kong Business Team organized the "Senior-Youth Connection" elderly visit activities of Youth Endeavor as a part of the "C'estbon Mind, C'estbon Spirit, Let's Move Together" initiatives.



CR Beverage, in partnership with Hong Kong Precious Blood Primary School, launched the "Nurturing Hearts, Enriching Hong Kong - Public Welfare in Schools" series of activities.

>> Promoting cultural heritage

CR Beverage supports various cultural events, including the Chinese National Day Cultural Festival in Tsuen Wan organized by the Tsuen Wan Youth Association and Tsuen Wan Volunteer Group, the Chaozhou-Shantou Intangible Cultural Heritage Carnival hosted by the Federation of Hong Kong Shantou Community Organizations, the Hong Kong Performing Arts Expo hosted by Hong Kong Arts Development Council, and the "Love China, Millennia of Tradition" event organized by the Hong Kong Federation of Women’s Centers. These initiatives help preserve and promote the multicultural heritage and development of Hong Kong.

>> Supporting sports development

CR Beverage supports various sports events such as the 2024 Taiping Cup Mutual Youth Charity Basketball League, the National Day Cup Juniors Cadet Fencing Championships, the National Day Parent-Child Sports Day organized by politician Koby Wong, the Zhaoshang Cup Basketball Championship, and the 9th HKCEA Sports Meeting for Celebrating the 75th Anniversary of the People’s Republic of China. These events aim to ignite citizens’ enthusiasm for sports and create a positive atmosphere for nationwide fitness.



CR Beverage sponsors youth sports events



>> Promoting youth development

CR Beverage implements the "Four Industries" policy, fully understands the needs of Hong Kong youth, and goes to campuses and communities to support a series of youth sports competitions and cultural and sports activities such as the Hong Kong Karate Annual Tournament, Kowloon Fencing Invitational Tournament, WBSC Baseball5 World Cup, YAO Foundation, Fei Yuet Volleyball Summer Camp, Sports Association for the Physically Disabled of Hong Kong, China, Hong Kong Island Youth United Association, HB Basketball of Federation of Tsuen Wan District Sports and Recreation Association, and North District Football Club, practically assisting young people in Hong Kong to achieve better growth and development.



CR Beverage organizes Hong Kong youth to participate in the Group's "Qing Yun Qi Meng" pre-employment training program

Enhancing community engagement

CR Beverage actively fulfills its commitment to the “National People's Livelihood” initiative by addressing the expectations and needs of the public. The Company engages in a wide range of initiatives, including disaster relief, cultural heritage preservation, rural education, sports development, environmental protection, and community care. Additionally, it has revised the *CR C'estbon External Donation Management Policy* to encourage and support employees in contributing to their local communities through charitable activities and donations. By fostering a culture of giving, the Company aims to strengthen community bonds and promote social harmony.

>> Providing emergency relief to disaster-affected areas

CR Beverage continues to enhance the "Public Welfare Rapid Response Mechanism for Disaster Relief" to provide immediate support in the event of natural disasters such as heavy rain, floods, earthquakes, and wildfires. In the shortest possible time, the Company delivers urgently needed supplies, including drinking water, beverages, and tents, to affected areas, ensuring the safety of both relief workers and disaster-stricken communities. As of the end of 2024, CR Beverage has participated in approximately 320 earthquake and flood relief efforts, donating over 460,000 cases of packaged drinking water and beverages.



As of the end of 2024, CR Beverage has participated in approximately **320** earthquake and flood relief efforts

Donating over **460,000** cases of packaged drinking water and beverages

Case | CR Beverage rushes 24,000 bottles of C'estbon water to Yongcheng, Henan

In September 2024, Typhoon "Bebinca" caused extended heavy rainfall across several regions in Shangqiu, Henan. CR Beverage closely monitored the evolving disaster situation in Yongcheng and, upon receiving a request for disaster relief from local employees, swiftly activated its "Public Welfare Rapid Response Mechanism for Disaster Relief." The Company proactively reached out to local government departments to assess supply needs and coordinated with nearby distributors to allocate 24,000 bottles of C'estbon water, ensuring an adequate supply of sufficient drinking water for affected residents and rescue personnel.

"Seeing disaster-stricken residents lining up to receive supplies warmed my heart because our modest efforts became a helping hand for them in this difficult time."

— Yang Kang, Employee Volunteer



>> Promoting traditional culture

To enhance brand awareness and reinforce its classic Chinese identity, Zhi Ben Qing Run officially announced its collaboration with the dance poetry drama "The Painting Journey" on April 8. This partnership pays tribute to China's rich cultural heritage, allowing consumers to experience the beauty of nature through both visual and sensory encounters. At the same time, Zhi Ben Qing Run explores traditional Chinese aesthetics by integrating cultural elements into its product offerings and brand identity. Through the concept of a "classic teahouse," the brand organized 18 large-scale roadshows and theater promotions across Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Nanning etc. By incorporating co-branded visuals, these initiatives further highlight Zhi Ben Qing Run's position as a Chinese herbal beverage brand while promoting traditional culture.



Zhi Ben Qing Run X "The Painting Journey" promotional video



>> Supporting sporting events

C'estbon is a proud supporter of TEAM CHINA and a long-term companion of grassroots sports enthusiasts. C'estbon, in collaboration with TEAM CHINA, launched the series of events themed on "C'estbon Family Meets TEAM CHINA". Through roadshows, film exhibitions and rowing competitions, the campaign introduces sports from training fields and competition arenas to more people's lives. In 2024, C'estbon supported 131 marathons nationwide, served more than 4 million participants, providing more than 450,000 cases of bottled water and over 330,000 cases of beverages. The brand also launched a series of marketing efforts centered on the theme of "Companionship on the Journey" to pay tribute to long-distance runners. C'estbon's self-media platforms published over 100 promotional pieces, while an online campaign in collaboration with Codoon introduced a series of H5 interactive events, including seven virtual races, with more than 6 million runners participating in H5 activities.

Case | CR Beverage supports TEAM CHINA for Paris

As the official drinking water supplier for TEAM CHINA, CR Beverage began preparations for supporting TEAM CHINA's product needs as early as April this year. After over a month of sea travel, 47,400 bottles of CR Beverage products were delivered to TEAM CHINA's training camps, support camps, and the "China House," ensuring beverage supply for athletes competing in Paris. To meet the EU's labeling requirements for imported food products, the beverages arriving in France had to have French labels. In response, CR Beverage's Zhaoqing factory formed a dedicated team to handle the task. Additionally, to ensure athletes could stay hydrated and cool in the sweltering heat, CR Beverage urgently procured ice buckets from Europe to provide better preparation experiences for the athletes.



Further Reading



Supporting marathon events



"Super Marathon Weekend" with 180,000 Runners

Further Reading



Sponsoring the CSL



Review of the 2024 China Resources C'estbon CFA Super League

>> Supporting the college entrance examination with Love

CR Beverage has been running public welfare programs to provide C'estbon water during the college entrance examination for many years. During the examination period, it has set up water distribution service points around each examination site in advance, distributing C'estbon water to students and their parents, letting them feel supported by the society.



CR Beverage Nanning Factory launched the public welfare initiative "C'estbon Mind, C'estbon Spirit, Let's Move Together": Empowering Youth and Supporting the College Entrance Examination

>> Paying more attention to grassroots

CR Beverage Sichuan-Yunnan Region joined hands with the Sichuan Charity Federation to carry out the "Urban Cooling Initiative" charity activities, sending C'estbon water to outdoor workers such as urban management staff, traffic police, and couriers working in scorching heat. In addition, the cooling efforts took place simultaneously in Chengdu, Quanzhou, Heze, Yantai and other cities, providing them with refreshing relief from the summer heat with C'estbon water.



CR Beverage set up Caring Water Stations for workers



# Outlook for 2025

2025 marks the concluding year of the "14th Five-Year" Plan, and serves as a pivotal moment for CR Beverage to solidify its listing results, accelerate its capacity expansion, and deepen its market penetration. CR Beverage will firmly grasp the trend of sustainable development, leveraging the four key areas: "building momentum for development", "high-quality products", "green and low carbon" and "win-win cooperation". Through these efforts, we aim to make steady progress, enhance product diversity and competitiveness, and establish an outstanding brand presence.



## Building momentum for development

We will strictly abide by national laws and regulations, continue to enhance the governance system, improve the compliance management organizational structure, attach importance to information disclosure, and protect the interests of investors, especially small and medium-sized investors; continuously rely on business innovation and technological progress, explore new retail models and new driving forces, bring nutrition and health to more consumers around the world, and lead the beverage industry towards high-quality development.



## Win-win cooperation

As a central enterprise, we will always fulfill our responsibilities, contribute to rural revitalization in various ways, and continue to engage in social welfare and charitable activities with true dedication. We will promote the development of partnerships based on shared values, leverage each other's strengths, and work with business partners toward sustainable development. We will enhance employees' professional skills and overall competence, improve their working conditions and safety standards, care for their well-being, and promote the mutual growth of both the enterprise and its employees.



## High-quality products

We will consistently prioritize consumer interests, responding to the evolving market demands driven by shifts in consumer preferences. Our commitment to continuously enhancing food quality and safety enables us to provide consumers with healthy and high-quality products that meet their expectations, thereby establishing a strong reputation among consumers. Furthermore, we will steadfastly uphold our strategic vision while fulfilling our social responsibilities to the highest standards in this new era, and strive to be better and stronger to become a world-class beverage enterprise.



## Green and low-carbon

We will align with the "dual carbon" goals of the new era. Guided by the principle of prioritizing ecology and green development, we will actively respond to the national call for energy conservation and emission reduction. We aim to explore innovative environmental protection technologies and implement sustainable operational practices, driving carbon reduction throughout our entire value chain. Furthermore, we are committed to safeguarding the sources of life, preserving biodiversity, and assuming greater responsibility in our actions. Our objective is to infuse green initiatives into the high-quality development of our enterprise while promoting sustainable coexistence between humanity and nature.



# Appendix

## List of ESG Policies

ESG Indicators	Internal Polices 2024	Compliance Laws and Regulations 2024
A1 Emissions	Regulations on Wastewater Discharge Management Regulations on Waste Management CR Beverage Wastewater Management Policy	National Catalogue of Hazardous Wastes Water Pollution Prevention and Control Law of the People's Republic of China Prevention and Control of Environment Pollution Caused by Solid Wastes of the People's Republic of China Regulations on the Administration of Permitting of Pollutant Discharges
A2 Use of Resources	Regulations on Energy Management CR Beverage Packaging Materials Management Policy CR Beverage Energy Management Policy CR C'estbon Self-owned Factory Waste Recycling Management Rules (December 2023)	Energy Conservation Law of the People's Republic of China Measures for the Energy Conservation Examination of Fixed-Asset Investment Projects of the People's Republic of China
A3 The Environment and Natural Resources	Regulations on Management of Environmental Monitoring and Measurement Regulations on Response to In-plant Environmental Emergencies CR C'estbon Ecological Protection Management Guidelines CR Beverage Water Resource Management Policy CR Beverage Biodiversity Protection Policy	Environmental Protection Law of the People's Republic of China Law on Environmental Impact Assessment of the People's Republic of China Regulations on Environmental Protection Management of Construction Projects Measures on the Management of the Filing of Environmental Impact Registration Form of Construction Projects Energy Conservation Law of the People's Republic of China Environmental Protection Law of the People's Republic of China Measures for the Supervision and Administration of Energy Conservation and Ecological Environment Protection of Central Enterprises
B1 Employment	Labor Contract and Employment Regulations Policy of Employee Entry and Left Management	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Regulation on Wage Payment
B2 Health and Safety	CR C'estbon Quality, Environmental Health and Safety System CR C'estbon QEHS Annual Assessment and Evaluation Measures CR C'estbon QEHS Responsibility Management Measures CR C'estbon QEHS Accident and Incident Management Measures CR Beverage Management Guidelines for QEHS Activity Improvement CR Beverage Health and Safety Policy CR C'estbon EHS Management System Manual (2021)	Work Safety Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Fire Protection Law of the People's Republic of China Regulations on Work Safety License Special Equipment Safety Law of the People's Republic of China Labor Law of the People's Republic of China Road Traffic Safety Law of the People's Republic of China Construction Law of the People's Republic of China Measures for Supervision and Management of "Three Simultaneous" of Safety Facilities in Construction Projects Emergency Response Law of the People's Republic of China Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents Law of the People's Republic of China on Administrative Penalties
B3 Development and Training	Guidelines for Competitive Employment of Management Personnel Management Regulations on Promotion, Transfer and Dismissal of Employees Measures for Identification of Scientific and Technological Talents Management Measures for Employee Training Work Guidelines for Skill Level Assessment of Professional and Technical Posts in Production System	Labor Law of the People's Republic of China

ESG Indicators	Internal Polices 2024	Compliance Laws and Regulations 2024
B4 Labor Standards	Labor Contract and Employment Management Measures Management Measures for Attendance and Vacation Compensation and Welfare Management Measures	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of the People's Republic of China on the Protection of Women's Rights and Interests Provisions on the Prohibition of Using Child Labor Law of the People's Republic of China on the Protection of Minors
B5 Supply Chain Management	CR Beverage Sustainable Procurement Policy CR Beverage Supplier Code of Conduct Tendering and Purchasing Rules for Investigating Counterfeiting by CR C'estbon (Trial) Quality Management Measures for Materials and Suppliers of CR Beverage Management Measures for Strengthening Supply Regulations in Operation Management Areas Guidelines for CR C'estbon Distributor Customer Management CR C'estbon Dealer Management Guidelines Channel and Customer Classification and Grading Standards of CR C'estbon Guidelines for Warehouse Logistics Management of CR C'estbon Dealers CR Beverage Logistics Operation Management System Guidelines for Bidding of CR C'estbon Logistics and Transportation Services CR Beverage Market Supplier Cooperation Management Guidelines CR Beverage Market Supplier Cooperation Management Rules (External) CR Beverage Logistics Supplier Cooperation Management Rules CR Beverage Logistics Supplier Cooperation Management Rules (External) CR Beverage Procurement Management System CR Beverage Implementation Rules for Comprehensive Evaluation Method of Procurement Guidelines for Identification and Handling of Collusive Bidding of CR C'estbon Suppliers Supplier Management Measures of CR C'estbon Beverage (Holdings) Company Limited CR C'estbon Management Rules for Productive Materials Cooperative Supplier (External Version) CR Beverage Management Rules for Cooperation with Engineering, Production Equipment and IT Service Contract Supplier CR C'estbon Management Rules for Productive Materials Cooperative Supplier CR C'estbon Implementation Rules for the Transaction of Idle and Waste Materials CR C'estbon Overseas Procurement Implementation Rules CR C'estbon Bulk Materials Procurement Implementation Guidelines Management Measures for the Procurement Review Expert Database and External Experts of China Resources C'estbon Beverage (China) Co., Ltd. Implementation Rules for Fragmentary Procurement of China Resources C'estbon Beverage (China) Co., Ltd. Code of Conduct for Bidding Opening and Evaluation and Bid Evaluation Discipline CR C'estbon Headquarters Guidelines for the Management and Use of Special Seal for Bidding (Interim) Management Measures for Centralized Procurement of China Resources C'estbon Beverage (China) Co., Ltd. CR C'estbon Bidding Office Evaluation Expert Panel Establishment Measures CR C'estbon Management Rules for Non-bidding Procurement of Specialized Production Materials CR C'estbon Incentive Measures for Bidding Experts New Supplier Access Management Regulations	The Bidding Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China (2019 Revision) Government Procurement Law of the People's Republic of China Centralized Procurement Catalogue and Criteria for Centralized Budgetary Entities of Government (2020)

ESG Indicators			Internal Polices 2024	Compliance Laws and Regulations 2024
B6 Product Responsibility			Charter of the Food Quality and Safety Standards Committee CR C'estbon Quality, Environmental Health and Safety System CR Beverage Responsible Marketing Policy CR Beverage Brands Management Measures CR Beverage Management Measures for Customized and Special Standard Packaged Water Management and Evaluation Measures for the Beverage Product of China Resources C'estbon Beverage (China) Co., Ltd. (2022) CR C'estbon Modern Channel Direct Sales Returned Products Handling Management System (2023) CR C'estbon Health Check Management Guidelines CR C'estbon New Product Development Process	Law on Product Quality of the People's Republic of China Law on Food Safety of the People's Republic of China Regulations on the Implementation of the Law on Food Safety of the People's Republic of China Standardization Law of the People's Republic of China Metrology Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Advertising Law of the People's Republic of China Trademark Law of the People's Republic of China
B7 Anti-corruption			CR Beverage Sunshine Declaration CR Beverage Procurement Personnel Commitment Letter on Integrity, Self-Discipline, and Regulation of Related Party Transactions CR Beverage Code of Business Ethics CR Beverage Anti-Corruption Policy CR C'estbon Management Guidelines for "Overall Supervision" System (Trial) CR C'estbon Centralized Management Measures for Letters, Visits and Problem Clues CR C'estbon Measures for Handling Employee Violations and Misconduct (November 2022) CR C'estbon Guidelines for Overseas Investment Anti-Commercial Bribery Compliance Management (2022) CR C'estbon Compliance Work Management Guidelines for Complaint and Whistleblowing Inspection Organization Guidelines for Handling Letters and Visits, and Discipline Enforcement at China Resources C'estbon Beverage (China) Co., Ltd.	Company Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Interim Provisions on Banning Commercial Bribery Anti-Monopoly Law of the People's Republic of China (2022 Amendment)
B8 Community Investment			Social Responsibility Management Measures of China Resources C'estbon Beverage (China) Co., Ltd. CR C'estbon External Donation Management Measures	Public Welfare Donation Law of the People's Republic of China Charity Law of the People's Republic of China

Data List

Indicator	Unit	2022	2023	2024
Economic Responsibility				
Total Assets	RMB 100 million	106.05	130.02	186.94
Net Assets	RMB 100 million	58.96	73.73	118.61
Return on Equity	%	18.9	20.1	17.3
Total Profits	RMB 100 million	13.7543	18.7843	22.2369
Return on Total Assets	%	10.0	11.3	10.5
Total Amount of Tax Paid	RMB 100 million	11.29	10.8	11.42
Number of Integrity Warning Education and Training Sessions	Times	> 10	> 40	> 40
Number of Attendances in Integrity Warning Education and Training	Number of Attendances	> 900	> 3,000	> 3,000
Number of Directors of the Board Who Received Anti-Commercial Bribery and Anti-Corruption Training	Person	-	-	12
Proportion of Directors Who Received Anti-Commercial Bribery and Anti-Corruption Training	%	-	-	100
Number of Management Personnel Who Received Anti-Commercial Bribery and Anti-Corruption Training	Person	103	107	108
Proportion of Management Personnel Who Received Anti-Commercial Bribery and Anti-Corruption Training	%	100	100	100
Number of Employees Who Received Anti-Commercial Bribery and Anti-Corruption Training	Person	> 900	> 3,000	> 3,000
Proportion of Employees Who Received Anti-Commercial Bribery and Anti-Corruption Training	%	> 8.3	> 27.3	> 26.8
Number of Corruption Cases Filed or Concluded	Cases	-	-	0
Employee Responsibility				
Total Employees	Person	10,884	10,970	11,194
Number of Male Employees	Person	6,949	6,969	7,227
Number of Female Employees	Person	3,935	4,001	3,967
Number of Management Personnel	Person	103	107	108
Number of General Staff	Person	10,781	10,863	11,086
Number of Full-time Employees	Person	10,884	10,970	11,194
Number of Part-time Employees	Person	0	0	0
Number of Employees under the Age of 30	Person	1,774	1,655	1,615
Number of Employees Aged 30 to 50	Person	8,885	9,062	9,289
Number of Employees over the Age of 50	Person	225	253	290
Number of Employees in Mainland China	Person	10,875	10,957	11,173
Number of Employees in Hong Kong, Macao and Taiwan	Person	9	13	21
Number of Employees in Overseas Regions	Person	0	0	0
Number of Employees with Master's Degree or above	Person	125	143	156
Number of Employees with Bachelor's Degree	Person	1,649	1,878	2,063
Number of Employees with College Diploma or below	Person	9,110	8,949	8,975



Indicator	Unit	2022	2023	2024
Number of New Employees Recruited	Person	1,654	2,207	2,210
Number of Migrant Workers Recruited	Person	1,041	1,366	1,385
Labor Contract Signing Rate	%	100	100	100
Social Insurance Coverage Rate	%	100	100	100
Proportion of Employees Participating in a Trade Union	%	100	100	100
Physical Examination Coverage Rate	%	100	100	100
Average Paid Vacation Days per Employee per Year	Days	11	11.5	12.3
Proportion of Female Management Personnel	%	24	22	20
Number of Internal Transfers and Internal Job Applications	Person	1,040	615	921
Number of Employee Training Sessions	Cases	-	-	856
Total Number of Employee Training Participants	Employees	83,670	64,042	70,570
Total Expenditure on Employee Training	RMB 10,000	553	681	418.8
Employee Training Participation Rate	%	90.3	95	97.3
Male Employee Training Participation Rate	%	-	-	97.5
Female Employee Training Participation Rate	%	-	-	87.9
Management Personnel Training Participation Rate	%	-	-	100
General Staff Training Participation Rate	%	-	-	97.2
Training Participation Rate for Employees under the Age of 30	%	-	-	98.0
Training Participation Rate for Employees Aged 30 to 50	%	-	-	97.1
Training Participation Rate for Employees over the Age of 50	%	-	-	98.2
Average Training Hours	Hours	21.4	11.3	17.8
Average Training Hours for Male Employees	Hours	-	-	18.6
Average Training Hours for Female Employees	Hours	-	-	17.0
Average Training Hours for Management Personnel	Hours	-	-	70.5
Average Training Hours for General Staff	Hours	-	-	17.2
Average Training Hours for Employees under the Age of 30	Hours	-	-	17.6
Average Training Hours for Employees Aged 30-50	Hours	-	-	17.8
Average Training Hours for Employees over the Age of 50	Hours	-	-	17.9
Support for Employees in Difficulty	Employees	17	20	24
Total Expenditure on Support for Employees in Difficulty	RMB 10,000	60	65	69.5
Employee Turnover Rate	%	22.57	19.50	17.58
Male Employee Turnover Rate	%	24.58	22.66	20.51

Indicator	Unit	2022	2023	2024
Female Employee Turnover Rate	%	19.07	14	12.34
Employee Turnover Rate of Employees under the Age of 30	%	43.58	46.37	46.23
Employee Turnover Rate of Employees Aged 30 to 50	%	18.26	14.56	12.45
Employee Turnover Rate of Employees over the Age of 50	%	9.72	8.81	11.47
Employee Turnover Rate in Mainland China	%	22.53	19.47	17.56
Employee Turnover Rate in Hong Kong, Macao and Taiwan	%	57.14	40	30
Employee Turnover Rate in Overseas Regions	%	0	0	0
Number of Labor Dispute Cases	Cases	11	9	19
Customer Responsibility				
Consumer Satisfaction	Score	87	87	89
Number of Incidents of Leakage of Customer Information	Cases	0	0	0
Number of Non-compliant Product Labels	Cases	0	0	0
Number of Customer Complaints	Cases	3,997	3,727	3,229
Handling Rate of Customer Complaints	%	100	100	100
Marketing Litigation Losses	RMB 10,000	0	0	0
Product Inspection Pass Rate at Factory Delivery	%	100	100	100
Proportion of Products Withdrawn and Recalled Due to Health and Safety Reasons	%	0	0	0
R&D Investment	RMB 10,000	4,917.9	6,151.0	5,335.4
Proportion of R&D Investment to Primary Business Income	%	0.39	0.46	0.39
Number of R&D Personnel	Person	73	103	140
R&D Personnel Ratio	%	0.7	0.9	1.23
Number of Invention Patents Applied to Main Business	Cases	2	4	6
Number of New Patents	Cases	7	7	21
Number of Patents and Patent Applications Held	Cases	86	80	72
Number of Copyright Applications and Authorizations	Cases	6	3	11
Number of Valid Patents	Cases	53	53	51
Environmental Responsibility				
Total Investment in Environmental Protection	RMB 10,000	407.4	600	3,011 <sup>1</sup>
Investment in Energy Conservation and Emission Reduction Technology Transformation	RMB 10,000	263.4	520	2,353 <sup>2</sup>
Renewable Energy Consumption <sup>3</sup>	MWh	0	4,420.2	30,199.05
Purchased Electricity <sup>4</sup>	MWh	114,357.15	138,242.93	295,477.36
Direct Energy Consumption	MWh	10,255.02	10,635.37	14,483.46

<sup>1</sup> In 2024, as newly constructed, renovated, and expanded projects gradually come into operation, a total of 25 new exhaust gas treatment facilities and 2 new wastewater treatment devices were added throughout the year. This has led to a significant increase in overall investment.

<sup>2</sup> The construction of PV power systems is planned for 11 factories during the "14th Five-Year" Plan period. Eight of these factories completed grid connection for PV power generation by 2024. In addition, 17 energy conservation and emission reduction technical transformation projects were planned at the beginning of the year, and the investment in energy conservation and emission reduction technical transformation increased significantly.

<sup>3</sup> The renewable energy power consumed by the Company in the process of production and operation comes from the contracted or self-used renewable energy.

<sup>4</sup> The total amount of electricity purchased by the Company from external sources in the process of production and operation.



Indicator	Unit	2022	2023	2024
Indirect Energy Consumption	MWh	125,312.16	157,604.16	330,772.14
Comprehensive Energy Consumption <sup>5</sup>	MWh	135,567.18	168,239.53	345,255.60 <sup>6</sup>
Comprehensive Energy Consumption per RMB 10,000 Output Value (comparable price)	MWh/RMB 10,000	0.1074	0.1245	0.2553
Comprehensive Energy Consumption per RMB10,000 Added Value (comparable price)	MWh/RMB 10,000	0.2213	0.2474	0.4660
Water Resource Consumption Intensity <sup>7</sup>	Tons / ton	1.84	1.78	1.76
Annual Fresh Water Consumption	Ten thousand tons	748.72	799.20	1,298.03
Reuse Water Volume	Ten thousand tons	115.66	128.89	276.31
Reuse Water Rate <sup>8</sup>	%	13.38	13.39	17.55
Wastewater Discharge Volume	Ten thousand tons	126.40	111.83	156.14
Wastewater Pollutant Discharge Volume	Tons	8.62	10.13	16.15
Discharge Concentration of Wastewater Pollutants <sup>9</sup>	Mg/ton	6,820.02	9,060.09	10,344.56
Emission of Exhaust Gas Pollutants	Tons	0.31	1.29 <sup>10</sup>	1.57
Emission Concentration of Exhaust Gas Pollutants <sup>11</sup>	Mg/m <sup>3</sup>	-	113.512	0.717
General Industrial Solid Waste Generation	Tons	417.30	1,420.71	4,147.32 <sup>12</sup>
Hazardous Waste Generated	Tons	3.80	7.60	23.83 <sup>13</sup>
Hazardous Waste Discharge Density <sup>14</sup>	Tons/RMB 10,000	0.0000030	0.0000056	0.0000176
General Industrial Solid Waste Discharge Density <sup>15</sup>	Tons/RMB 10,000	0.000331	0.001051	0.003067
SO <sub>2</sub> Emissions <sup>16</sup>	Tons	0.037	0.055	0.058

<sup>5</sup>The comprehensive energy consumption is calculated based on the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020). In 2024, electricity consumption was 295,477,400 kWh (with a conversion coefficient of 0.1229 kgce/kWh), natural gas consumption was 1,306,500 cubic meters (with a conversion coefficient of 1.33 kgce/m3), gasoline consumption was 28.8 tons (with a conversion coefficient of 1.4714 kgce/kg), and purchased heat amounted to 127,206.12 million kilojoules (with a conversion coefficient of 0.0341 kgce/MJ).

<sup>6</sup>The expansion of the industrial chain, increased production, and introduction of injection molding process led to an increase in the Company's overall energy consumption.

<sup>7</sup>The calculation formula is: Water Resource Consumption Intensity = Annual Fresh Water Consumption / Annual Qualified Product Output of Own Factories.

<sup>8</sup>The proportion of reused water in the company's production and operation process relative to the total water consumption. The calculation formula is: Reused Water Volume / (Reused Water Volume + Annual Fresh Water Consumption).

<sup>9</sup>The calculation formula for Discharge Concentration of Wastewater Pollutants is: Wastewater Pollutant Discharge Volume (ammonia nitrogen, COD) / Wastewater Discharge Volume.

<sup>10</sup>The Company did not add injection molding process in 2022, so there was no VOC emissions. After 2023, the progressive addition of injection molding process led to increased waste and pollutant emissions.

<sup>11</sup>The calculation formula for Emission Concentration of Exhaust Gas Pollutants is: Emission of Exhaust Gas Pollutants (VOCs, SO<sub>2</sub>, NO<sub>2</sub>) / Volume of Exhaust Gas Treated by the exhaust gas treatment facility. In 2024, 25 new exhaust gas treatment facilities were added, effectively reducing the concentration of exhaust gas pollutant emissions on the basis of past process-compliant disposal practices.

<sup>12</sup>The increase in numerical values can be attributed to the commencement of production at the new factory and the introduction of new production lines, a rise in beverage production, and the implementation of injection molding processes within the facilities.

<sup>13</sup>The increase in numerical values can be attributed to several factors, including the commencement of new factories and production lines, a rise in beverage output, the introduction of injection molding processes within the facilities, the implementation of plans aimed at segregating pedestrian and vehicular traffic, and a significant uptick in the utilization of paint for line-marking processes.

<sup>14</sup>The weight of hazardous waste generated per RMB 10,000 of revenue. The calculation formula is: Hazardous Waste Discharge Density = Amount of Hazardous Waste Generated / Annual Revenue.

<sup>15</sup>The weight of general industrial solid waste generated per RMB 10,000 of revenue. The calculation formula is: General Industrial Solid Waste Discharge Density = Amount of General Industrial Solid Waste Generated / Annual Revenue.

<sup>16</sup>The Company's SO<sub>2</sub> emissions primarily originate from the exhaust of official vehicles.

Indicator	Unit	2022	2023	2024
COD Emissions <sup>17</sup>	Tons	7.61	9.44	14.34
NO <sub>x</sub> Emissions	Tons	0.31	0.11	0.19
Ammonia-nitrogen Emissions <sup>18</sup>	Tons	1.01	0.69	1.81
Comprehensive Utilization Volume of General Industrial Solid Waste	Tons	124.70	428.49	4,147.32
Hazardous Waste Disposal Volume	Tons	10.86	6.97	27.39
Total Consumption of Packaging Materials	Tons	613,271.26	471,023.84	566,556.46
Usage Proportion of Packaging Materials Made from Recyclable, Reusable or Compostable Materials <sup>19</sup>	%	>99	>99	>99
Usage Proportion of Non-renewable Packaging Materials <sup>20</sup>	%	<12	<12	<12
Comprehensive Utilization Rate of General Industrial Solid Waste	%	29.88	30.16	100
Carbon Emissions Intensity <sup>21</sup>	Tons/RMB 10,000	0.0567	0.0637	0.1274
Greenhouse Gas Emissions <sup>22</sup>	Carbon dioxide equivalent (tons)	71,645.9	86,162.0	172,285.8
Greenhouse Gas Emissions per Unit of Production <sup>23</sup>	Carbon dioxide equivalent (tons)/ton	0.02	0.02	0.02
Greenhouse Gas Emissions Intensity <sup>24</sup>	Carbon dioxide equivalent (tons) /RMB 10,000	0.0568	0.0638	0.1274
Scope 1 GHG Emissions <sup>25</sup> (direct GHG Emissions)	Carbon dioxide equivalent (tons)	2,084.9	2,167.1	2,946.1
Scope 2 GHG Emissions (indirect GHG Emissions )	Carbon dioxide equivalent (tons)	69,561.0	83,994.9	169,339.7
Greenhouse Gas Emission Reduction	Carbon dioxide equivalent (tons)	0	2,520.83	17,684.57
Scope 1 Greenhouse Gas Emissions Reduction	Carbon dioxide equivalent (tons)	0	0	0
Scope 2 Greenhouse Gas Emissions Reduction	Carbon dioxide equivalent (tons)	0	2,520.83	17,684.57
Number of Endangered Species in Habitats Affected by Operations	Species	0	0	0

<sup>17</sup>The sum of the chemical oxygen demand in the wastewater directly discharged into natural water bodies and the COD in the wastewater discharged into the municipal sewer system during the Company's production and operation process.

<sup>18</sup>The sum of ammonia nitrogen in wastewater directly discharged into natural water bodies and that released into municipal sewerage systems during the Company's production processes.

<sup>19</sup>The calculation formula for the Usage Proportion of Packaging Materials Made from recyclable, Reusable or Compostable Materials is: Amount of Packaging Materials Made from Recyclable, Reusable, or Compostable Materials Used / Total Amount of All Packaging Materials Used for the Product × 100%.

<sup>20</sup>The calculation formula for the Usage Proportion of Non-renewable Packaging Materials is: Amount of Non-renewable Packaging Materials Used / Total Amount of All Packaging Materials Used for the Product × 100%.

<sup>21</sup>The amount of carbon dioxide emissions per RMB 10,000 of revenue. The calculation formula is: Carbon Emission Intensity = Total Annual CO<sub>2</sub> Emissions / Annual Revenue.

<sup>22</sup>The total greenhouse gas emissions of Scope 1 and Scope 2 from the production and operation of the business owned or controlled by the Company, and the coefficients are translated mainly with reference to the standards of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)*, the ISO 14064-1 standard and the relevant provisions in the *Announcement on Publishing the 2022 Carbon Dioxide Emission Factors for Electricity* issued by the Ministry of Ecology and Environment determine the reasonable conversion factor/emission factor in carbon dioxide equivalent (tons).

<sup>23</sup>The greenhouse gas emission density per unit of product total in the Company's production and operation process. The calculation formula is: Greenhouse Gas Emissions per Unit of Product = Total Annual Greenhouse Gas Emissions / Annual Qualified Product Output of Own Factories.

<sup>24</sup>The amount of greenhouse gas emissions per RMB 10,000 of revenue. The calculation formula is: Greenhouse Gas Emission Intensity = Total Annual Greenhouse Gas Emissions / Annual Revenue.

<sup>25</sup>Emissions directly generated by the energy (gasoline, natural gas) consumed by the production and operation of the Company, in the unit of carbon dioxide equivalent (tons). The coefficients used in accounting for GHG emissions are mainly based on the *2006 IPCC Guidelines for National GHG Inventories (2019 Refinement)*.

Indicator	Unit	2022	2023	2024
Total Environmental Protection Training Hours	Hours	3,238	8,988	10,884
Number of Attendances in Environmental Protection Training	10,000 attendances	3.2	8.9	7.3
Environmental Violations and Non-compliance Incidents	Cases	0	0	0
Partner Responsibility				
Number of Cooperative Suppliers	Suppliers	1,277	1,260	1,054
Number of Suppliers in Mainland China	Suppliers	1,269	1,252	1,047
Number of Suppliers from Hong Kong, Macao and Taiwan	Suppliers	4	7	7
Number of Overseas Suppliers	Suppliers	4	1	0
Number of Suppliers for Assessment and Evaluation	Suppliers	232	272	312
Number of Suppliers Whose Contracts Were Terminated Due to Non-compliance	Suppliers	2	2	4
Number of Potential Suppliers Rejected for Non-compliance	Suppliers	0	0	0
Number of Suppliers Penalized for Economic, Social, or Environmental Violations	Suppliers	0	23	12
Number of Suppliers Covered by ESG Training	Suppliers	-	-	238
Number of Industry Standards and Specifications Participated in Formulated and Published	Copies	1	1	8
Public Responsibility				
Work Injury Insurance Investment	RMB 10,000	353.6	403.3	537.2
Work Safety Liability Insurance Investment	RMB 10,000	3.2975	2.6709	2.3317
Work Safety Investment	RMB 10,000	502	384	447
Safety Training Participation Rate	%	100	100	100
Number of Safety Training Attendances	10,000 attendances	33.72	34.35	33.91
Total Safety Training Hours	Hours	343,238	378,988	381,860
Stakeholder Work Safety Training Hours	Hours	23,205.26	16,113.52	15,564.7
Number of Emergency Drills Conducted	Times	59	83	127
Number of Attendances in Emergency Drills	Number of attendances	3,355	5,220	5,042
Number of Full-time Safety Management Personnel	Personnel	26	29	46
Number of Work Safety Accidents	Cases	0	0	0
Number of Work-related Fatalities <sup>26</sup>	Cases	0	0	0
Fatality Rate per 1,000 Employees	‰	0	0	0
Number of Fatalities in Incidents	Employees	0	0	0
Number of General or Major Incidents	Cases	0	0	0
Workdays Lost Due to Injuries	Days	-	550	529
Number of Occupational Disease Cases	Cases	0	0	0
Total Rural Revitalization Investment	RMB 10,000	-	-	309
Social Contribution Investment	RMB 10,000	-	-	687.5
Social Contribution Activity Participants	Number of attendances	-	-	1,037
Total Social Contribution Activity Hours	Hours	-	-	11,279

<sup>26</sup> The number of death accidents occurred in the production and operation of the Company, and the determination of death due to industrial injury shall be based on the relevant provisions of the *Regulations on Work-Related Injury Insurance*.

Indicators Index

HKEX ESG Indicators Index

Environmental, Social and Governance Areas, General Disclosures and KPIs			Response
Environmental			
A1 : Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Chapter II Appendix - List of ESG Policies
	A1.1	The types of emissions and respective emissions data.	Chapter II Appendix - Data List
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix - Data List
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix - Data List
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Chapter II
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Chapter II
A2 : Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Chapter II Appendix - List of ESG Policies
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Chapter II
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix - Data List
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Chapter II
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Chapter II
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Chapter II Appendix - Data List
A3 : The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Chapter II Appendix - List of ESG Policies
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter II
Social			
B1 : Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Chapter III Appendix - List of ESG Policies
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix - Data List
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix - Data List



Environmental, Social and Governance Areas, General Disclosures and KPIs			Response
Social			
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Chapter III Appendix - List of ESG Policies
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix - Data List
	B2.2	Lost days due to work injury.	Appendix - Data List
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Chapter III
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Chapter III Appendix - List of ESG Policies
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix - Data List
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix - Data List
B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Chapter III Appendix - List of ESG Policies
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Chapter III
	B4.2	Description of steps taken to eliminate such practices when discovered.	Chapter III
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Chapter III Appendix - List of ESG Policies
	B5.1	Number of suppliers by geographical region.	Appendix - Data List
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Chapter III
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Chapter III
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Chapter III
B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Chapter III Appendix - List of ESG Policies
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix - Data List
	B6.2	Number of products and service related complaints received and how they are dealt with.	Chapter III
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Chapter I
	B6.4	Description of quality assurance process and recall procedures.	Chapter III
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Chapter III

Environmental, Social and Governance Areas, General Disclosures and KPIs			Response
Social			
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Chapter I Appendix - List of ESG Policies
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Chapter I
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Chapter I
	B7.3	Description of anti-corruption training provided to directors and staff.	Chapter I
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Chapter III Appendix - List of ESG Policies
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Chapter III
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Chapter III

Rating of the Report

The Rating Report of China Resources Beverage (Holdings) Company Limited Sustainability Report 2024

Entrusted by China Resources Beverage (Holdings) Company Limited, the Chinese Expert Committee on CSR Report Rating selected experts to form a rating group to rate the *China Resources Beverage (Holdings) Company Limited Sustainability Report 2024* (hereinafter referred to as the Report).

I. Rating Basis

The *General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG6.0)* by the China Enterprise Reform and CSR Cloud Research Institute and the Chinese Corporate Sustainability Reports Rating Standards (2025) by the Chinese Expert Committee on CSR Report Rating.

II. Rating Process

- 1. The rating group reviewed and confirmed the *Confirmation Letter for Process Documentation of Corporate Social Responsibility Report* and related supporting documents submitted by the Report writing team.
- 2. The rating group evaluated the writing process and content of the Report and drafted the rating report.
- 3. The Vice Chairman of the Chinese Expert Committee, the head of the rating group, and the expert of the rating group jointly reviewed and approved the rating report.

III. Rating Conclusion

Process (★★★★★)

The Company has established the Board of Directors as the highest decision-making body for sustainable development management, comprehensively supervising sustainable development affairs, and has also set up the Sustainable Development Committee to oversee and manage social responsibility and ESG-related matters. The Report is positioned as an important tool for disclosing responsibility fulfillment information, improving social responsibility management, strengthening communication with stakeholders, and highlighting the corporate brand image, with a clear functional value orientation. It identifies material issues based on domestic and international social responsibility standards, industry benchmarking analysis, the company's major strategies, and stakeholder surveys. In accordance with the requirements of the Hong Kong Stock Exchange regarding ESG practices for listed companies, it has revised the *CR Beverage Social Responsibility and ESG Management Measures*. Furthermore, it has developed the *CR Beverage Environmental, Social, and Governance (ESG) Information Management Manual*, building a systematic ESG management framework and continuously improving the level of sustainable development management. It plans to release the report through the official website and will present the report in various forms such as electronic version, print version, and long picture version, showing excellent process performance.

Materiality (★★★★★)

The Report systematically discloses key issues in the alcohol, beverage and refined tea manufacturing industry such as "responding to climate change", "water resource utilization", "product and service safety and quality", "product label compliance, advertising and promotion compliance", "health and nutrition", and "occupational health and safety production", with detailed and sufficient narration, showing excellent materiality performance.

Completeness (★★★★★)

The main content of the Report systematically discloses 93.65% of the alcohol, beverage and refined tea manufacturing industry from the perspectives of "Governance Chapter | Seeking Progress while Maintaining Stability, Empowering Sustainable High-Quality Development", "Environment | Low-Carbon Transformation: Crafting a New Chapter for Green Development", and "Society | Trust Makes Life Better Because of You and Me", showing excellent completeness performance.

Balance (★★★★★)

The Report discloses negative data information such as "Employee Turnover Rate", "Number of Work Safety Accidents ", "Number of Work-related Fatalities", "Number of General or Major Incidents", "Number of Occupational Disease Cases", and "Environmental Violations and Non-compliance Incidents", and briefly describes the response measures for negative cases such as customer complaints about empty bottles, showing excellent balance performance.

Comparability (★★★★★)

The Report discloses the comparative data of 139 key indicators for three consecutive years such as " Total Assets", " Total Amount of Tax Paid", " Proportion of Female Management Personnel", "R&D Investment", "Investment in Energy Conservation and Emission Reduction Technology Transformation", "Water Resource Consumption Intensity" and " Number of Emergency Drills Conducted" and makes horizontal comparisons such as "Ranked first in China's purified drinking water market for 13 consecutive years from 2012 to 2024", "Ranked first in China's chrysanthemum tea beverage market in 2024", showing excellent comparability performance.

Readability (★★★★★)

The Report adopts the ESG-type framework, systematically presenting the Company's responsibility fulfillment concepts, practices, and achievements in environment, society, and governance, with a clear framework structure and prominent key issues. It sets up a "2024 Milestones" section to concentrate on displaying the company's key responsibility fulfillment practices for the year and responding to the expectations of stakeholders. The cover design uses a realistic photo style, highlighting the Company's responsibility fulfillment highlights through water droplet elements. The chapter cross-page design uses high-definition large pictures with corporate characteristics to enhance corporate recognizability. It sets up "stakeholder comments" to substantiate the company's responsibility fulfillment effectiveness, embeds QR codes to extend the interpretation of the report content, and strengthens the report's dissemination and communication power. It sets up a responsibility story of " Sowing Seeds of 'Hope' and Celebrating the Triumphs of Rural Revitalization" to highlight the significance of corporate responsibility fulfillment and enhance the report's readability and interest, showing excellent readability performance.

Innovation (★★★★★)

The Report sets up three responsibility topics, focusing on the Company's key responsibilities and highlighting the company's responsibility leadership. It strengthens ESG management, builds a complete ESG management system, formulates ESG governance structure, ESG strategy framework, and corresponding system, indicators, and target management systems, and further promotes the improvement of sustainable development work management system. It participated in the compilation and research work of the *General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG6.0)* by the Chinese Academy of Social Sciences and the *Chinese Corporate Sustainability Reports (CASS-ESG 6.0) for the Alcohol, Beverage and Refined Tea Manufacturing Industry*, enhancing the systematicness of sustainable development work, and showing excellent innovation performance.

Comprehensive Rating (★★★★★+)

After evaluation by the rating group, the *China Resources Beverage (Holdings) Company Limited Sustainability Report 2024* has achieved five stars in process, materiality, completeness, balance, comparability, readability, and innovation, and is comprehensively rated as " Five-Star Excellence", which is a model of enterprise social responsibility reports.



CR Beverage’s Sustainability Report has been awarded the highest "Five-Star" rating for six consecutive years, and for the second year in a row, it has achieved the "Five-Star Excellence" distinction.

IV. Recommendations for Improvement

- 1.Enhance the disclosure of industry-specific core indicators to further improve the completeness of the report.



The Vice Chairman of the Chinese Expert Committee



The Head of the Rating group



The expert of the rating group

Dated: April 18, 2025



Scan the code to view the enterprise rating files



Assurance Statement



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INDEPENDENT LIMITED ASSURANCE REPORT

DTT(25)BAR00009

**To the Board of Directors of China Resources Beverage (Holdings) Company Limited:**

We have been engaged to perform a limited assurance engagement on selected 2024 key performance indicators (the "Selected Indicators") in the 2024 Sustainability Report prepared by China Resources Beverage (Holdings) Company Limited (the "Company").

**Subject Matters for Limited Assurance**

The subject matters of this assurance engagement include the following Selected Indicators in the 2024 Sustainability Report:

- Total Employees
- Number of Female Employees
- Purchased Electricity
- Comprehensive Energy Consumption
- Renewable Energy Consumption
- Water Resource Consumption Intensity
- Annual Fresh Water Consumption
- Reuse Water Rate
- Comprehensive Utilization Volume of General Industrial Solid Waste
- Hazardous Waste Disposal Volume
- SO<sub>2</sub> Emissions
- COD Emissions
- NO<sub>x</sub> Emissions
- Ammonia-nitrogen Emissions
- Greenhouse Gas Emissions
- Greenhouse Gas Emissions per Unit of Production
- Scope 1 GHG Emissions (direct GHG Emissions)
- Scope 2 GHG Emissions (indirect GHG Emissions)
- Number of Work-related Fatalities
- Number of Occupational Disease Cases

Our limited assurance engagement is limited to the Selected Indicators in the 2024 Sustainability Report described above, and does not extend to information disclosed in the 2024 Sustainability Report that is not included in the "Subject Matters for Limited Assurance", as well as any other information for 2023 and earlier prior years.

**Applicable Criteria**

The applicable criteria used by the Company in the preparation of the Selected Indicators are set out in the Appendix attached to this report.

**Responsibility of Management and Those Charged with Governance**

The management of the Company is responsible for the preparation of the Selected Indicators in accordance with the applicable criteria. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the Selected Indicators that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the reporting process.

**Inherent Limitations of Applicable Criteria**

We draw attention of the users of this report to the fact that there is no generally accepted evaluation and measurement basis for the preparation of non-financial information, which may affect the comparability of sustainability information between entities and over time.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our Responsibilities**

Our responsibility is to perform limited assurance in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information*. We express assurance conclusions with limited assurance on whether the Selected Indicators in the 2024 Sustainability Report have been prepared in all material respects in accordance with the applicable criteria.

**Assurance Approach**

The procedures performed in a limited assurance engagement substantially vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Therefore, the level of assurance obtained by limited assurance was less than reasonable assurance. We do not provide reasonable assurance that the Selected Indicators in the 2024 Sustainability Report were disclosed in all material respects in accordance with the applicable criteria. Our assurance included identifying areas where Selected Indicators for 2024 may be materially misstated in the Sustainability Report, designing and implementing assurance procedures to address these identified areas, and obtaining evidence accordingly. The assurance procedures we carried out depend on our professional judgment and risk assessments of assurance.



We carried out the following assurance procedures:

- Interviewed the Company's management and staff responsible for information collection, consolidation and disclosure to understand the process of reporting in relation to these Selected Indicators;
- Tested relevant supporting documents on a sample basis;
- Performed analytical procedures on Selected Indicators;
- Recalculated Selected Indicators on a sample basis.

#### Limited Assurance Conclusions

Based on the above work performed and the evidence we have obtained, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Selected Indicators in the Company's 2024 Sustainability Report prepared in accordance with the applicable criteria.

#### Use of Independent Limited Assurance Report

This independent limited assurance report is solely for the purpose of preparing the Company's 2024 Sustainability Report, and is not suitable and cannot be used for other purposes. We do not assume responsibility or accept liability to any other person or third party other than the Company's Board of Directors for this report.

This is the English translation of the Independent Limited Assurance Report in Chinese version. If there is any conflict between the translated and Chinese version, the Chinese version shall prevail.



Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China

24 April 2025

#### Appendix:

1. **Total Employees:** As of 31 December 2024, the total number of employees directly employed by China Resources Beverage (Holdings) Company Limited and its subsidiaries under labor contracts.
2. **Number of Female Employees:** As of 31 December 2024, the total number of female employees directly employed by China Resources Beverage (Holdings) Company Limited and its subsidiaries under labor contracts.
3. **Purchased Electricity:** From 1 January 2024 to 31 December 2024, the total amount of electricity purchased by China Resources Beverage (Holdings) Company Limited and its subsidiaries from external sources in the process of production and operation. The unit is MWh.
4. **Comprehensive Energy Consumption:** From 1 January 2024 to 31 December 2024, the total consumption of energy (including electricity, gasoline, natural gas, and heat) by China Resources Beverage (Holdings) Company Limited and its subsidiaries. The unit is MWh. The energy conversion is primarily based on reasonable conversion coefficient/factor determined in accordance with the relevant provisions of the "General Rules for Calculation of the Comprehensive Energy Consumption"(GB/T 2589-2020).
5. **Renewable Energy Consumption:** From 1 January 2024 to 31 December 2024, the total renewable energy power consumed by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation, including contracted or self-used renewable energy. The unit is MWh.
6. **Water Resource Consumption Intensity:** From 1 January 2024 to 31 December 2024, the water consumption per unit of production by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The calculation formula is Annual Fresh Water Consumption / the Qualified Products output from owned factories during year 2024. The unit is tons / ton.
7. **Annual Fresh Water Consumption:** From 1 January 2024 to 31 December 2024, the total freshwater withdrawn directly from various sources or purchased for industrial activities in the plant and office areas by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is ten thousand tons.
8. **Reuse Water Rate:** From 1 January 2024 to 31 December 2024, the proportion of water reused by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The calculation formula is Reuse Water Volume / (Reuse Water Volume + Annual Fresh Water Consumption) \* 100%.
9. **Comprehensive Utilization Volume of General Industrial Solid Waste:** From 1 January 2024 to 31 December 2024, the total amount of industrial solid waste utilized



by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tons.

10. **Hazardous Waste Disposal Volume:** From 1 January 2024 to 31 December 2024, the total amount of hazardous waste disposed by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tons.
11. **SO<sub>2</sub> Emissions:** From 1 January 2024 to 31 December 2024, the total SO<sub>2</sub> emissions generated by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation from owned boilers and official vehicles. The unit is tons.
12. **COD Emissions:** From 1 January 2024 to 31 December 2024, the total chemical oxygen demand (COD) emissions in wastewater discharged directly into natural water bodies and municipal sewer system by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tons.
13. **NO<sub>x</sub> Emissions:** From 1 January 2024 to 31 December 2024, the total NO<sub>x</sub> emissions generated by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tons.
14. **Ammonia-nitrogen Emissions:** From 1 January 2024 to 31 December 2024, the total ammonia-nitrogen emissions in wastewater discharged directly into natural water bodies and municipal sewer system by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tons.
15. **Greenhouse Gas Emissions:** From 1 January 2024 to 31 December 2024, the total Scope 1 and Scope 2 GHG emissions generated from the production and operation of the business owned or controlled by China Resources Beverage (Holdings) Company Limited and its subsidiaries. The conversion coefficients/emission factors were determined mainly with reference to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement), ISO 14064-1 Standard, and the Ministry of Ecology and Environment's "Announcement on Publishing the 2022 Carbon Dioxide Emission Factors for Electricity". The unit is tCO<sub>2</sub>e.
16. **Greenhouse Gas Emissions per Unit of Production:** From 1 January 2024 to 31 December 2024, the GHG emissions per unit of production by China Resources Beverage (Holdings) Company Limited and its subsidiaries. The calculation formula is Greenhouse Gas Emissions divided by the Qualified Products output from owned factories during year 2024. The unit is tCO<sub>2</sub>e / ton.
17. **Scope 1 GHG Emissions (direct GHG Emissions):** From 1 January 2024 to 31 December 2024, the direct GHG emissions (gasoline, natural gas) generated by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation. The unit is tCO<sub>2</sub>e. The conversion coefficients/emission factors used for GHG emission calculations primarily based on

the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement).

18. **Scope 2 GHG emissions (indirect GHG emissions):** From 1 January 2024 to 31 December 2024, the indirect GHG emissions generated by China Resources Beverage (Holdings) Company Limited and its subsidiaries in the process of production and operation from the consumption of purchased electricity and heat. The unit is tCO<sub>2</sub>e. The emission factor used for GHG emission calculation is the national average CO<sub>2</sub> emission factor for electricity (0.5856 kgCO<sub>2</sub>/kWh) as published in the Ministry of Ecology and Environment's "Announcement on Publishing the 2022 Carbon Dioxide Emission Factors for Electricity".
19. **Number of Work-related Fatalities:** From 1 January 2024 to 31 December 2024, the number of death accidents occurring during production and operation of China Resources Beverage (Holdings) Company Limited and its subsidiaries. Work-related death determinations based on relevant provisions in the "Regulations on Work-Related Injury Insurance".
20. **Number of Occupational Disease Cases:** From 1 January 2024 to 31 December 2024, the number of suspected or confirmed occupational disease cases among on-site employees exposed to occupational hazards by China Resources Beverage (Holdings) Company Limited and its subsidiaries.

List of Contributors

The list of Contributors of CR Beverage Sustainability Report 2024

Editor-in-Chief: Zhang Weitong

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Feedback

Dear readers,

We sincerely appreciate your time and effort in reading the Report!

To enhance the sustainable development of CR Beverage's sustainable development and improve the preparation of its sustainability report, we welcome your valuable feedback and suggestions.

1. What type of stakeholder are you?

☐ Government    ☐ Regulatory body    ☐ Shareholder    ☐ Customer    ☐ Employee    ☐ Supplier

☐ Dealer    ☐ Partner    ☐ Public    ☐ Community    ☐ Media    ☐ Others

2. Your overall evaluation of the Company's Sustainability Report:

☐ Good    ☐ Relatively Good    ☐ Average    ☐ Poor    ☐ Not Sure

3. Do you think the Report reflects the Company's significant impacts on the economy, society, and environment?

☐ Yes    ☐ Average    ☐ Not Sure

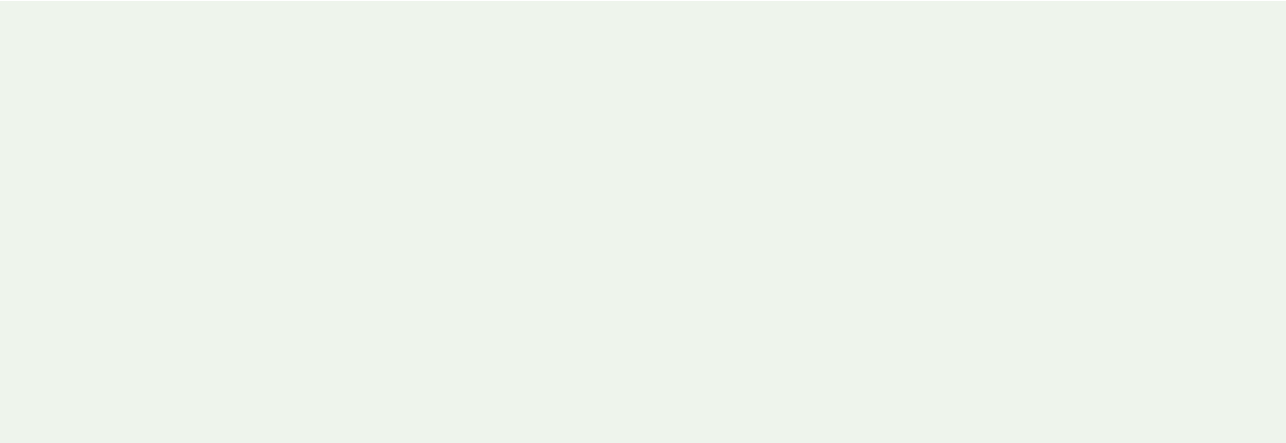
4. How do you evaluate the clarity, accuracy, and completeness of the information, data, and metrics presented in the Report?

☐ High    ☐ Relatively High    ☐ Average    ☐ Relatively Low    ☐ Low

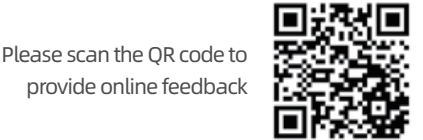
5. How would you evaluate the Company's performance in terms of customer service and safeguarding stakeholder interests?

☐ Good    ☐ Fair    ☐ Average    ☐ Poor    ☐ Not Familiar

6. Please share any additional comments or suggestions regarding the Company's sustainability initiatives and the Report:



Thanks for your great support and cooperation!







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