



MASTER KONG

SUSTAINABILITY REPORT



KEEP OUR NATURE GREEN
家园常青 健康是福



CONTENTS

01

STATEMENT OF CHAIRMAN

02

ABOUT THE REPORT

03

ABOUT MASTER KONG

04

Corporate Governance

05

Anti-pandemic Contributions

06

Commitment to Good Quality

07

Brand Promotion

08

Green Operation

09

Digital Transformation

10

Employee Care

11

Continuous Return

12

SUSTAINABLE DEVELOPMENT CONCEPT AND ACTION OF MASTER KONG

12

Sustainability Concept of Master Kong

12

Sustainable Development Governance Structure

14

Implementation of Sustainable Development Goals

16

Stakeholder Communication and Materiality Assessment of Key Issues

19

FIGHT THE PANDEMIC, HEALTH IS A BLESSING, ENSURING “LIFE + DELICACY”

21

Resuming Work and Production Timely to Ensure Supply

21

Striving to Protect the Health and Safety of Employees

22

Fulfilling Social Responsibilities to Carry Out Anti-pandemic Support Actions

25

FOOD SAFETY POSITIONED AT CORE; NUTRITION SERVED AS FIRST PRIORITY; ENJOY “LIFE + DELICACY”

26

Food Safety Management and Control Mechanism

28

Construction of Food Safety System

30

Nutrition Product Development and Expansion

32

Collaborative Development of Industry, Research and Learning

35

TOGETHER WITH INTEGRITY AND COOPERATION, SHARE “LIFE + DELICACY”

37

Advertising and Intellectual Property Management

37

Serving Consumers

38

Supplier ESG Management

39

Procurement of Sustainable Raw Materials

40

Anti-corruption Management and Professional Ethics

41

Brand Breakthrough

45

IMPLEMENT ENVIRONMENTAL PROTECTION AND MANAGEMENT AND ENJOY “LIFE + DELICACY”

46

Energy Conservation Management

48

Water Conservation Management

50

Low Carbon and Emission Management

52

Reduce the Use of Packaging Materials

53

Digital Production Management

53

Tackle Climate Change

54

The Key Environmental Performance Indicators

57

CARE FOR EMPLOYEES AND PROMOTE CULTURE AS ITS SOUL, ENDEAVORS TO BUILD “LIFE + DELICACY”

58

Deeply Develop Human Resources and Create a Better Workplace

59

Protect the Health and Safety of Employees and Create a Safe Workplace

60

Promote Growth and Development of Employees and Create an Intelligent Workplace

62

Build Corporate Culture and Create a Better Workplace

65

SHOULDER FOR RESPONSIBILITIES, DONATE FOR CHARITY AND SHARE “LIFE + DELICACY”

66

Key Performance Indicators of Community Investment

67

Promotion and Dissemination of the Concept of Sustainable Development

68

Food Safety Science Popularization

70

Education on Water

72

Sports Charity Events

74

Focus on Social Services

74

Immediate Aid

74

Education Projects

76

Support for Agricultural Development

77

Reinforced School-Enterprise Cooperation

78

APPENDIX 1: HONOURS AND AWARDS

79

APPENDIX 2: INDEX TABLE OF GRI STANDARDS

88

APPENDIX 3: TEN PRINCIPLES OF THE UN GLOBAL COMPACT

89

APPENDIX 4: INDEX TABLE OF ISO26000: GUIDANCE ON SOCIAL RESPONSIBILITY (2010)

STATEMENT OF CHAIRMAN



“

upholding the sustainable development concept
of “Keep Our Nature Green”

”

2020 is an extraordinary year for Master Kong. Through joint efforts of every Master Kong people, we provided supplies for front-line anti-pandemic medical staff nationwide while ensuring pandemic prevention safety and the resumption of work and production. We stay committed to quality and food safety, and actively contributed to the community through public welfare activities, doing what we can to help our nation and its people through the difficulties.

In 2020, upholding the sustainable development concept of “Keep Our Nature Green”, we carried out a series of work on food safety, nutrition and health, and environmental protection and carbon reduction, while following the state’s “New Development Concept” and the “14th Five-Year Plan” and with “Healthy China”, “Food Safety” and “Sustainable Development” as our main focuses. We hold strong beliefs in that “a good development is sustainable development” and upgraded the former CSR Committee to Sustainable Development Committee in early 2021 in a manner to promote sustainable development and management improvement.

In July 2020, Master Kong was selected in the Private Sector Awareness of the Sustainable Development Goals by the United Nations Development Programme (UNDP), giving us the opportunity to showcase the impact of Chinese enterprises with regard to sustainable development on a broader stage. This is a recognition of our continuous efforts in sustainable development field over the years, also an encouragement and inspiration for us to forge ahead. We are very honoured to share with you some of the key achievements in sustainable development of Master Kong in 2020:

Anti-pandemic Contributions

Faced with the outbreak of COVID-19 in early 2020, Master Kong actively organised the resumption of work and production in an orderly manner with employees’ health and safety guaranteed, to secure supply of our products and shoulder

social responsibilities through practical actions. In response to the state’s call for “Ensuring Price, Quality and Supply”, our branches across the country acted quickly to formulate anti-pandemic emergency plans and resumed to work and production. We launched social responsibility emergency plan soon after the COVID-19 breakout, and gathered volunteer teams to take anti-pandemic actions of “Helping with COVID-19, Health is a Blessing”. We provide anti-pandemic material aid together with caring to the front-line medical staffs from 837 medical units in 299 cities of 26 provinces.

Commitment to Good Quality

Food safety has always been the cornerstone of corporate success. As a leading enterprise in the industry, Master Kong made years of efforts in improving food safety and quality and increasing its contribution in food safety. In 2020, on the basis of food safety, we continued to launch more nutritious and healthy products, and lead the upstream and downstream industrial chains to work together to drive the overall development of the industry.

Digital Transformation

As the world is marching into the digital era, Master Kong is deeply aware of the significance of digital transformation to sustainable development of an enterprise. In 2020, we promoted digital transformation practices in various areas such as human resources, production supply chain, logistics and transportation management, while worked together with industrial chain partners to build “Full Link Digitisation” to help Master Kong and our partners in digital transformation.

Green Operation

Master Kong actively follows the green development path, continuously optimises our facilities and adopts intelligent management, in the aim to build a low-carbon, energy-saving and water-saving green company. We further refined production processes to improve environmental benefits, and the unit energy consumption and emissions continuously reduced; Master Kong actively responded to the national environmental protection policy, willing to make contributions to the national goals of “carbon emission peak” and “carbon neutrality”.

Stick to the “People-oriented” Belief

We have always believed that the development of an enterprise is inseparable from the support and efforts of every individual employee. Therefore, with adherence of people orientation, we consider every employee with “Diligence, Integrity and Ability” as our most valuable asset. To this end, Master Kong attaches great importance to the development and well-being of employees and strives to promote corporate culture, in pursuit of mutual development between employees and Master Kong.

Continuous Giveback

Master Kong always pays attention to the needs of community and actively gives back to the society through public welfare involvement. We have been holding food safety science popularisation for years. In 2020, we further explored innovative

ways to enhance the knowledge system of “aerospace + food safety”. “Education on Water” has become a regular part of Master Kong’s public welfare activities, and its “interest-based science popularisation” program teaches kids with fun and implicitly bringing them awareness of water-saving before they know it. Meanwhile, we keep lifting people at the frontline in the affected areas out of danger through our well-established disaster relief system. Also, fully leveraging on our strengths and resources, we are committed to talent cultivation for the society through scholarship program and collaborations with universities and research institutions on scientific researches.

Now that Master Kong is close to its 30s, we will keep our initial vision in mind and stick to the path of sustainable development. In the future, we hope that, together with all our customers, employees and partners, we can all enjoy “Life + Delicacy”!

Wei Hong-Ming

Chairman

Green Operation

Commitment to Good Quality

Digital Transformation

Continuous Giveback

Stick to the “People-oriented” Belief

Anti-pandemic Contributions

ABOUT THE REPORT



Tingyi (Cayman Islands) Holding Corp. ("Tingyi", "Master Kong", "the Group", "the Company" or "us") refers to "the Global Reporting Initiative (GRI) sustainable development reporting Standards (GRI Standards)" and "the International Organization for Standardization (ISO) "ISO26000: Guidance on Social Responsibility Guide (2010)", comprehensively sort out the management status of its own sustainable development, and took the initiative to evaluate the sustainable development issues concerned by major internal and external major stakeholders, and reviewed, evaluated and reported the progress of its corporate sustainable development work in 2020 based on the company's development strategy.

This report underpins Master Kong's actions to implement the Sustainable Development Goals (SDGs) of the United Nations as the main line, presenting Master Kong's sustained efforts and achievements in the field of sustainable development. As a leading company in China's food and beverage industry, Master Kong shoulders the mission of "Promoting Chinese Food & Beverage Culture", adheres to the vision of "Being the Most Respected Food & Beverage Company", and upholds the sustainable development concept of "Keep Our Nature Green" when staying closely with stakeholders and actively fulfilling social responsibilities. We deeply understand the impact of our operations to different elements of economy, environment and society, and the importance of "a good development is sustainable development". We continue to explore and improve our performance in sustainable development. The Company dedicates to sharing corporate values with stakeholders, enhancing social welfare and enjoying "Life + Delicacy" with them.

We expect to introduce and demonstrate our true performance and achievements in sustainable development to all sectors of the society through the preparation and release of this report and highlight our contribution to the society in this field.

Reporting Scope

Reporting Organizational Scope:

The major office sites and factories with normal operation in China of Tingyi (Cayman Islands) Holding Corp.

Reporting Period:

From 1 January 2020 to 31 December 2020. For the sake of the completeness of the report, it also covers some relevant contents occurred in 2021.

Reporting Standards for Preparation

This report mainly refers to the Sustainable Reporting Standards of the Global Reporting Initiative ("GRI Standards") and ISO26000: Guidance on Social Responsibility (2010) of the International Organisation for Standardisation ("ISO26000").

Forms of Report Distribution

This report is published in both printed and electronic forms. Electronic reports can be found on our website www.masterkong.com.cn.

If you have any comments on our sustainability performance and this report, please send an email to sustainability@masterkong.com.cn. This report is published in both Chinese and English versions. In case of any inconsistency between the two versions, the Chinese version shall prevail.

ABOUT MASTER KONG



Tingyi (Cayman Islands) Holding Corp. are principally engaged in the production and distribution of instant noodles and beverages in the People's Republic of China ("PRC"). It was listed on the Main Board of the Stock Exchange of Hong Kong in February 1996, with its headquarters in Shanghai, China.

Market capitalisation as of 31 December 2020 was US\$9.6 billion. The Company is a constituent stock of Morgan Stanley Capital International ("MSCI") China Index and Hang Seng China (Hong Kong listed) 100 Index.

As a popular brand in China, Master Kong has been well received and supported by Chinese consumers after years of hard work and accumulation. At present, the Group's three main categories of products highlight the predominant position in Chinese food and beverage market. Nielsen data in December 2020 shows, on the basis of sales volume, the Group has achieved market shares in instant noodles and instant tea (including milk tea) of 43.7% and 43.6% respectively in 2020, winning invariably the leading position of the market. In the overall juice drink market, the Group has gained a market share of 17.3% in the drink market, ranking the second place. According to GlobalData December 2020 data, the Group's carbonated drinks had 33.4% market share and held a second position.

Being a leading brand in the fast-moving consumer goods industry, Master Kong holds the industry responsibility of food safety and quality guarantee. Through constantly building and improving management system, establishing risk prevention management system and implementing robust control over food safety, Master Kong makes extensive efforts to ensure product quality and safety, and provide consumers with safe, tasty and healthy products.

In the future, the Group will still lay its focus on the production and distinction of food and beverages, keep close connection with stakeholders and actively fulfil social responsibilities with the mission of "Promoting Chinese Food & Beverage Culture", the vision of "Being the Most Respected Food & Beverage Company", and the sustainable development concept of "Keep Our Nature Green".

\$9.6 Billion market capitalisation as of 31 December 2020



43.7%

Instant Noodles
Market Share



43.6%

Ready-to-Drink Teas (incl. milktea)
Market Share



17.3%

Overall Juice Drink
Market Share



33.4%

Pepsi Carbonated Drinks
Market Share

CORPORATE GOVERNANCE



Master Kong is committed to establishing and maintaining sound corporate governance to benefit our consumers and stakeholders, including shareholders, employees, partners and communities.

Governance Framework

The Group's Board of Directors ("the Board"), chaired by Mr. Wei Hong-Ming, is fully responsible for the Company's overall business operations, including leading the collaboration among different departments, through efforts in guidance and monitoring, the advance and development of the functions of the departments.

The Board has an Audit Committee and a Remuneration and Nominating Committee. The Audit Committee is responsible for assisting the Board of Directors of the Company to ensure the objectivity and credibility of the financial statements. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, the preparation of financial statements, annual and interim reports and integrity of accounts, risk management and internal control systems, as well as maintaining good corporate governance standards and practices. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. The Audit Committee is provided with sufficient resources to perform its duties and will meet regularly with management, internal auditors and external auditors, as well as review their reports. The Remuneration and Nomination Committee was set up to review the structure, size and diversity of the Board, identify individuals suitably qualified to become Board members, assess the independence of the independent non-executive directors, advise the Board on the remuneration of individual executive directors and senior management, and consider and approve the remuneration packages of the Directors and senior management of the Group, including the terms of salary and bonus schemes and other long-term incentive schemes. The Committee also reviews the structure, size and composition of the Board from time to time, assess the performance of the Executive Directors and approve the terms of the Executive Directors' and recommends to the Board on appointments of Directors and the succession planning for Directors, and to ensure that the appointment and re-appointment of Directors are in accordance with fair and transparent principles. In the fiscal year, the Committee is in charge of reviewing the structure, size and composition of the Board; reviewing and making recommendations on the diversity of the existing Board members; checking resumes of director candidates and making recommendations to the Board on the re-appointment of Directors; making recommendations to the Board on remuneration packages of senior management.

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision-making. The Board is currently comprised of 9 Directors in total, including 6 Executive Directors and 3 Independent Non-executive Directors.



Enhance Operational Performance



Enhance Work Efficiency



Protect Asset Security



Reliability Of Financial Reporting

As of

2020.12.31

the Group has been carrying out self-assessment of internal control, and has established a rigorous and effective self-examination and self-inspection system, achieving full coverage of self-assessment in management cycle.

Risk Management and Internal Control

The principal spirit of the internal control and risk management procedures established by the Group is in compliance with five elements in the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) structure, i.e. control environment, risk assessment, control activities, information and communication, and monitoring. The goal of risk management is to keep the overall risk of the Group within acceptable levels and to lay a good foundation for the Group's long-term development. Meanwhile, it can achieve the goal of defining the management structure and authorisation so as to enhance the operational performance and efficiency as well as asset safety protection, which ensures the reliability of financial reports while complies with the requirements of national regulations.

The risk management system established by the Group sets "pursuing sustainable development and assuming social responsibility" as management objective. The management process includes risk identification, risk assessment and evaluation, risk control and overall monitoring. Firstly, the risk management objectives are set through a systematic and scientific approach. Risk identification and management framework are then developed by conducting interviews with management and risk seminars. Thirdly, risk assessment is carried out with full participation from senior management in the discussion and then risk response strategies are formulated. Finally, risk control activities and supervision are implemented continuously.

Under the supervision of the Board, the Group has established three lines of defence for risk management within its organisation structure, responsibility and authority framework. The Audit Committee will assist the Board to review the design and operation effectiveness of the risk management and internal control system of the Group. As of 31 December 2020, the Group has been carrying out self-assessment of internal control, and has established a rigorous and effective self-examination and self-inspection system, achieving full coverage of self-assessment in management cycle. Meanwhile, the Group further expanded supervision of subsidiaries, prioritised the formulation of management standards for high-risk processes, and on the basis of industry competition and operation needs, established streamlined and feasible approval authority for expenditure and human resources. In addition, the Group has also been focused on proper oversight of compliance with regulations and other work. No material deficiency in risk management or internal control was identified in the internal audit conducted by the Internal Inspection Department.

ANTI-PANDEMIC CONTRIBUTIONS



Helping with COVID-19, Health is a Blessing

Catering Industry Helps National Fight against the Pandemic

After the abrupt outbreak of COVID-19 prior to 2020 Spring Festival, Master Kong, on the basis of safeguarding the health and safety of employees, quickly responded through resumption of work and production in an orderly manner to secure market supply of our products and donations of money and supplies, shouldering responsibilities through practical actions.

Master Kong immediately responded to the state's call for "Ensuring Price, Quality and Supply", fully guaranteeing the stability of market supply. Business units of the Group formulated anti-pandemic emergency plans in accordance with local governments' requirements, and followed instructions on pandemic prevention and control and work resumption as specified by the governments and companies. Adhering to the principle of serving operation and serving market, the Group also communicated with external parties and coordinated safety work at factories in support of timely work resumption.

During the pandemic, Master Kong made every effort to safeguard the health and safety of its employees by setting up special teams for pandemic prevention and control, and formulating and releasing internal management guidelines. To create a healthy and safe working environment, business units reasonably adopted work forms of off-peak working and work-from-home, promptly procured anti-pandemic supplies and provided to employees, and strictly disinfected workplaces on schedule. In addition, we organised employees to attend COVID-19 related online trainings, mitigating impacts of the pandemic on employees' mental health with caring videos.

Master Kong activated the social responsibility emergency plan right after early COVID-19 outbreak to provide medical staff with convenient and nutritious food, taking actions to join the fight against the pandemic. Through nationwide "Helping with COVID-19, Health is a Blessing" anti-pandemic support action, Master Kong called on employees across the country to deliver anti-pandemic supplies, supporting a total of 837 medical units in 299 cities of 26 provinces. Master Kong was awarded the title of Socially Responsible Enterprise of "Catering Industry Helps National Fight against the Pandemic" at the 18th China Food Safety Conference for its outstanding performance in anti-pandemic support action.

COMMITMENT TO GOOD QUALITY



Master Kong is committed to its mission of "Promoting Chinese Food & Beverage Culture" and took food safety as the foundation of the Company. Strictly abiding by relevant laws and regulations, we insist on zero tolerance for food safety risks and follow quality standards of aerospace industry to assure "safety on tip of tongue" of the people.

The Food Safety Centre of the Central Research Institute ("Food Safety Centre") of Master Kong, a qualified research and development lab recognised by China National Accreditation Service for Conformity Assessment ("CNAS"). In 2020, Master Kong invested over RMB 160 million in food safety and quality control. It performs over 3.5 million tests against more than 1,500 food safety monitoring indicators annually, and exercises strict control over pesticide residues, heavy metals, food additives, allergens, microorganisms and genetically modified food.

In 2020, Master Kong made further investment in food safety. Our dedicated food safety and quality control team had grown to over 1,800 employees. We were approved to establish the Shanghai Convenient Food Engineering Technology Research Centre, which would assume the responsibilities of food safety testing, R&D, science training and providing authoritative and impartial third-party services for the society. Further, Master Kong actively undertakes its responsibilities as an enterprise, continuously improves the whole-process traceability system, and enhances the effectiveness of its food safety traceability system through on-going system renovation and technological refinement at production plants.

Master Kong actively responded to various national nutrition and health policies, including the National Nutrition Plan (2017-2030), and incorporated the concept of nutrition and health into its research and development activities, such as product formula design, product innovation and technical cooperation. In 2020, Master Kong continued to satisfy customers' needs for nutrition with new products developed. Master Kong continued to advance science and research collaborations on health and nutrition with a number of renowned institutions like Winter Sports Management Centre of the General Administration of Sport of China, Peking University, Nankai University, Shanghai Jiao Tong University and Space Science and Technology

>160 million

Master Kong invested over RMB 160 million in food safety and quality control

>1,500

>3.5 million

It performs over 3.5 million tests against more than 1,500 food safety monitoring indicators annually



"Top Ten Enterprises in Safety Management at the 18th China Food Safety Conference

Won "China Food Enterprises Benchmarking Golden Chopsticks Award" for the sixth consecutive year

"Handmade Noodles" won the Best Instant Food Innovation Grand Award 2019-2020

The Most Popular Instant Food Award 2020.



BRAND PROMOTION



Institute (Shenzhen), calling on consumers to value nutrition and health, and exerting a positive impact on addressing people's needs for a better life. In addition, the Group further held food safety education and promotion activities such as "A Tour Across China for Promoting Space Exploration Spirit - Master Kong Food Safety Science Exhibition" and "Food Safety Science Popularisation Programme", and with the help of 5G network, invented new science popularisation methods of "Cloud Classrooms" and "Cloud Science Popularisation Exhibition", strengthening people's awareness of food safety and achieving a food safety compliance society.

Master Kong's efforts in the fields of food safety management, nutrition and health improvement were widely recognised by the society. In 2020, Master Kong was awarded as "Top Ten Enterprises in Safety Management at the 18th China Food Safety Conference" and won "China Food Enterprises Benchmarking Golden Chopsticks Award" for the sixth consecutive year. "Handmade Noodles" won the Best Instant Food Innovation Grand Award 2019-2020 and the Most Popular Instant Food Award 2020. The health research results of unsweetened tea were included in the "Journal of Functional Foods", an international authoritative journal with a strong influence in food nutrition area. Master Kong will continue to unswervingly regard food safety as the "utmost priority" and the cornerstone of corporate success in the future, benchmark against aerospace quality, aspire to become the pacesetter in the food and beverage industry and provide safe, delicious and healthy products.

In 2020, the Group actively engaged in IP marketing cooperation to promote brand influence and build a good connection with consumers through content co-creation in multiple fields. And it also expanded marketing channels and explored new channels, which gained wide recognition and won a number of awards in marketing. This year, Master Kong won Best Marketing Effect Award of the 11th Golden Mouse Digital Marketing Competition, Bronze Prize of the 20th IAI International Advertising Cross-Border Marketing, Bronze Prize of the 13th ROI Festival Media Group, and Excellence Award in Food Category in the 11th Tiger Roar Award. By catering to consumer psychology and fashion trends, "Master Kong Ice Tea - Hyper Fun" attracts more consumers to have a touch of the brand's soul, which has also been deeply embedded into the city documentary "Wonder City", setting off a "Hyper Fun" craze among consumers. In addition, Master Kong cooperated with national idol Lang Ping to create an exclusive IP of "New Year Blessing from Master Kong". Through promotions on various channels, it creates emotional communication with thousands of families, promotes Chinese food and beverage culture, and enhances Master Kong's national brand image.



Won Best Marketing Effect Award of the 11th Golden Mouse Digital Marketing Competition

Bronze Prize of the 20th IAI International Advertising Cross-Border Marketing

Bronze Prize of the 13th ROI Festival Media Group

Excellence Award in Food Category in the 11th Tiger Roar Award



GREEN OPERATION



Master Kong actively assumes environmental responsibilities. In 2020, the Group adopted refined management in energy conservation, water saving, carbon reduction, emission reduction and reduction of the use of packaging materials, and promoted green development through analysis and management of environmental key performance indicators.

In terms of energy conservation management, with its focus on detailed control of existing processes, Master Kong continued to implement intelligent energy management systems and explored opportunities for energy conservation in production processes. In 2020, Master Kong's overall energy consumption per tonne of output reduced by approximately 6.4 kilowatt hours compared with 2019. And a number of factories earned the honoured title of "Excellent Energy-Saving Company" by the China Beverage Industry Association.

For water conservation management, Master Kong actively conducted practices in water conservation and water efficiency improvement by performing analysis on water consumption at factories and establishing a regular water volume monitoring mechanism, to monitor water consumption at each production process and conduct statistical analysis of water consumption reports. In 2020, Master Kong's water consumption per tonne of output declined by approximately 53.2 litres compared with 2019. And a number of factories earned the honoured title of "Excellent Water Conservation Company" by the China Beverage Industry Association.

As for low carbon and emission reduction management, Master Kong made efforts to reduce emissions by adjusting its energy structure and improving energy efficiency. For example, in 2020, we replaced more equipment of high energy consumption and high emission, implemented various technology transformation and projects of emission reduction, and used more renewable energies to reduce our greenhouse gas emissions. In 2020, Master Kong's greenhouse gas emissions per tonne of output declined by approximately 2.8 kilograms, representing a year-on-year decrease of over 4%.

Master Kong actively reduces the use and consumption of various packaging materials at all stages of the product life cycle. Under the premise of ensuring product quality, we have been working on the reduction of plastic and weight of packaging materials, and have reduced or optimised the

use of plastic packaging materials for some product items. Meanwhile, Master Kong and its partners have launched a pilot study project on the use of R-PET, which uses scrapped PET as raw materials to produce uniforms and cloth fibers and promotes the recycling of waste packaging materials.

Master Kong deeply understands that climate change is a major challenge for all mankind, and recognises that actively identifying climate risks and coping with the impacts of climate change are the guarantee for the long-term stable development of the enterprise. In 2020, the Group reviewed climate change risk. We will continue to maintain a high degree of concern and attention to climate change risk, and continue to upgrade our response and management level over climate change-related issues.



↓ 6.4 kilowatt hours

Master Kong's overall energy consumption per tonne of output reduced by approximately 6.4 kilowatt hours compared with 2019

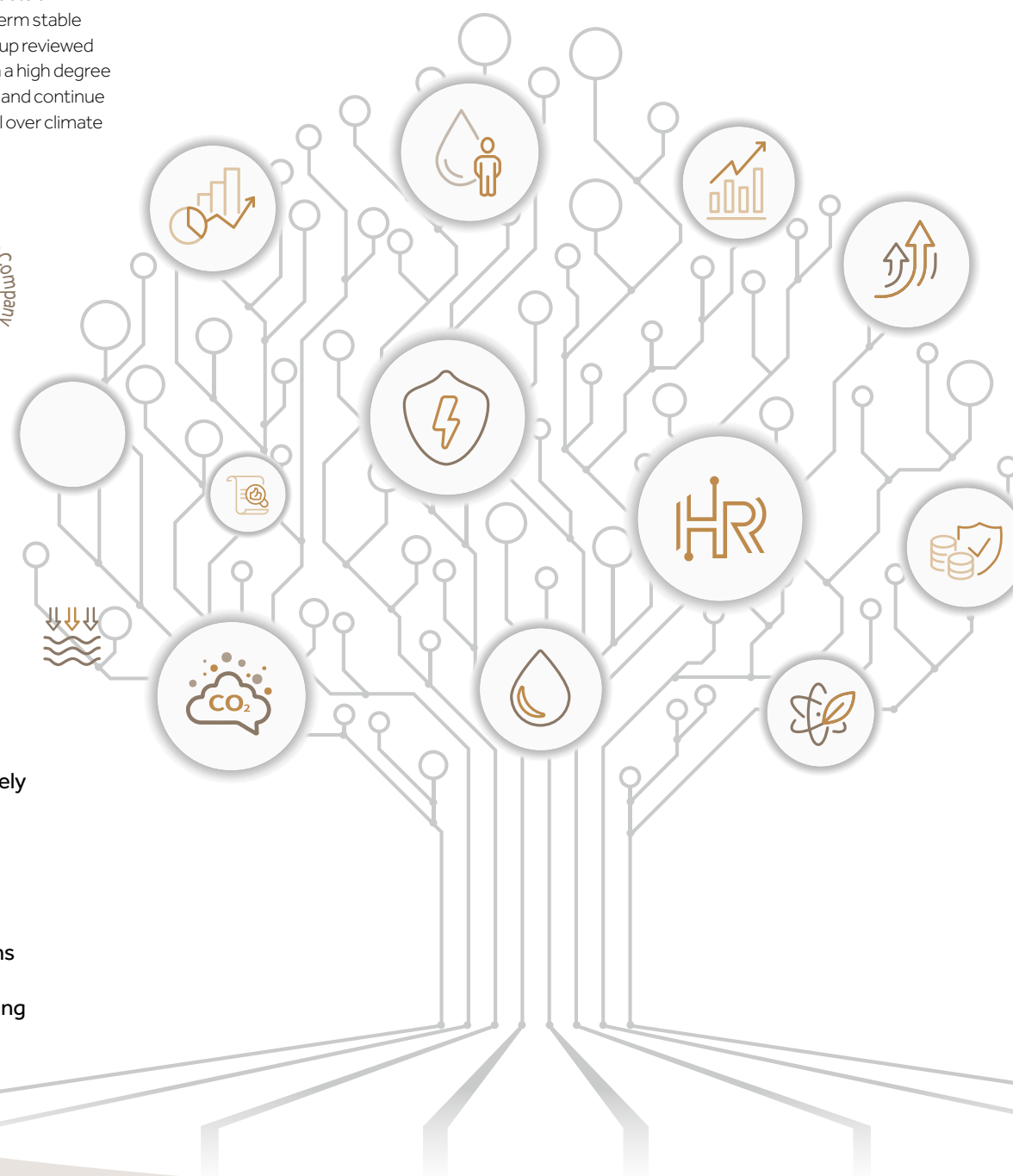
↓ 53.2 litres

Master Kong's water consumption per tonne of output declined by approximately 53.2 litres compared with 2019

↓ 2.8 kilograms

Master Kong's greenhouse gas emissions per tonne of output declined by approximately 2.8 kilograms, representing a year-on-year decrease of over 4%

Master Kong won the digital transformation award of IDC "Future Work Leader" by virtue of the digital project of "Boundless Sharing to Empower Digital Transformation of Master Kong's HR"



DIGITAL TRANSFORMATION



With the rapid development of information technology, the digital economy is becoming a new growth driver for China's economy. Master Kong has a deep understanding of the importance of digital transformation to China's economic development and the sustainable development of itself, and has made efforts to promote digital transformation in many fields.

Master Kong conducts digital management in human resources, which liberates HR from routine work to focusing more on human resources strategy and value-added services, and comprehensively accelerates the digital transformation of the Group's human resources, helping to upgrade the Company's management and operation system. In 2020, Master Kong won the digital transformation award of IDC "Future Work Leader" by virtue of the digital project of "Boundless Sharing to Empower Digital Transformation of Master Kong's HR".

Meanwhile, Master Kong applied digitised tools in all aspects of production and operation with flexibility, continuously made innovation breakthroughs and technological upgrades, and gradually improved the overall management capability through digitised, intelligent and automated methods to improve the efficiency of production and operation. By deploying the LineView real time monitoring and data collection system on production lines, Master Kong has successfully achieved the goal of paperless reporting and data accuracy; and by implementing remote monitoring of production line operation status, Master Kong has improved production efficiency, reduced production costs, and achieved manless production. Meanwhile, Master Kong's Transportation Management System (TMS) project, through the digital empowerment of various supply chain departments, achieves unified management and control of nearly 100 factories in the country and the collaborative operation of over 100 carriers and over 500 carriers' business offices, as well as coordinated scheduling co-operation of 100,000 transport vehicles.

While actively promoting its own digital development, Master Kong and its industrial chain partners are working together to build "Full Link Digitisation" in the FMCG (Fast Moving Consumer Goods) Industry. On 15 December 2020, Master Kong and Tencent Smart Retail signed a strategic cooperation agreement in Shanghai to further promote the progress of "Full Link Digitisation".

EMPLOYEE CARE



Committed to employee care and with adherence to people orientation around corporate culture, Master Kong pays attention to the career development and growth of employees in pursuit of enterprise development and strives to provide employees with a favourable and harmonious working environment as well.

Master Kong strictly abides by the relevant national laws and regulations and devotes to protect the legitimate rights and interests of every employee. Master Kong organically combines training and education of employees with their career development to contribute to establish a comprehensive staff training framework and system. In 2020, Master Kong introduced a variety of training sessions and projects, continuously promoted the online learning model, and enriched learning resources on mobile end. With an accumulated training time of more than 6,450,600 hours and an average of 113.67 hours of training per person.

In order to protect the health and safety of employees from all aspects, we have issued a series of measures and procedures with respect to prevention, control and responsibility implementation, and regularly carry out safety promotion and education for employees, weighing the health and safety of employees most.

Over the years, Master Kong has attached great importance to corporate culture development, and has made efforts to promote the integration of business management with it, effectively fostering corporate culture. In order to achieve the sustainable development, the Group has set up a Cultural Construction Committee to continuously improve the system and ensure the effective promotion of cultural construction. To promote the concept of "positive energy comes from mindfulness, and change of mind leads to transformation and upgrading", in 2020, Master Kong selected model employees who practice exemplary cultural behaviour, so as to set examples for all Master Kong people.

>6,450,600 hours
113.67 hours

With an accumulated training time of more than 6,450,600 hours and an average of 113.67 hours of training per person

Master Kong selected model employees who practice exemplary cultural behaviour, so as to set examples for all Master Kong people



CONTINUOUS RETURN



As a national brand in the food and beverage industry, Master Kong is committed to the collaborative development of enterprises and society, pays attention to the needs of the community and actively participates in community building, actively promotes and disseminates the concept of sustainable development, and strives to grow with stakeholders. In 2020, Master Kong joined hands with a number of partners to carry out community investment activities, and continued to make contribution to the society in fields such as food safety knowledge popularisation, education on water public welfare, disaster relief, support for sports, and deeper collaboration between schools and the enterprise.

In 2020, Master Kong invested approximately RMB 72 million through various channels and different ways to support community development and make contribution to the society, which was highly recognised. Master Kong has won several important awards for community investment, including the "Outstanding Chinese Enterprise in Corporate Social Responsibility (CSR) 2020".

72 million

Master Kong invested approximately RMB 72 million through various channels and different ways to support community development and make contribution to the society

Outstanding Chinese Enterprise in Corporate Social Responsibility (CSR) 2020



SUSTAINABLE DEVELOPMENT CONCEPT AND ACTION OF MASTER KONG

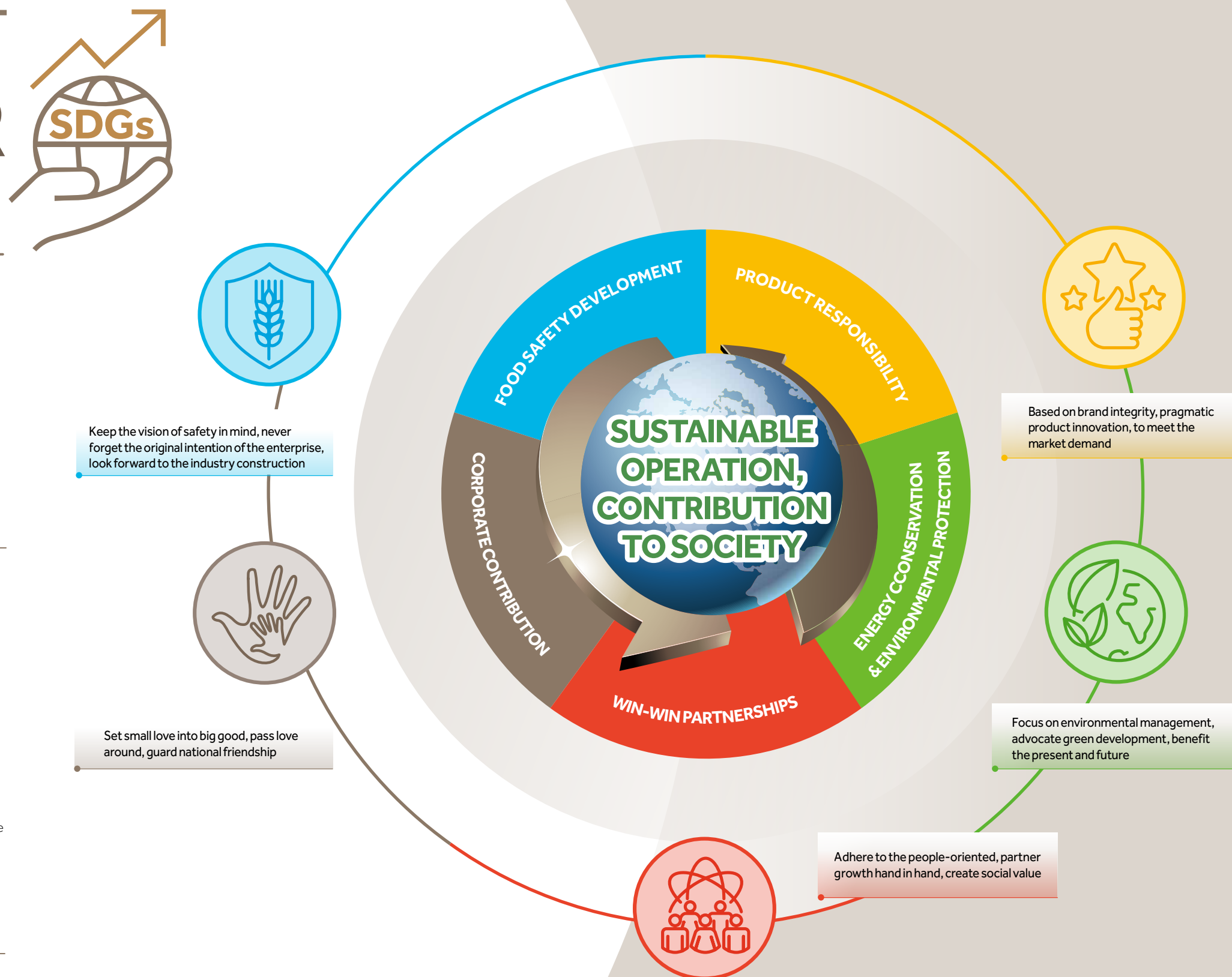


SUSTAINABILITY CONCEPT OF MASTER KONG

Master Kong shoulders the mission of "Promoting Chinese Food & Beverage Culture", takes the corporate vision of "Being the Most Respected Food & Beverage Company" and has always committed to the principle of "Sustainable Operation, Contribution to Society". Master Kong communicates frequently with stakeholders to actively fulfil social responsibilities. We continue to explore and improve our performance in sustainable development. The Company dedicates to sharing corporate values with stakeholders, enhancing social welfare and enjoying "Life + Delicacy" with stakeholders. Master Kong believes that "a good development is sustainable development", **our sustainable development philosophy is to "Keep Our Nature Green"**. In 2020, in combination with the State's "New Development Concept" and the "14th Five-Year Plan", we took "Healthy China", "Food Safety" and "Sustainable Development" as our annual work focus, and conducted a series of work on food safety, nutrition and health, energy conservation and emission reduction. We increasingly searched for the actual needs of the society, deeply integrated the essential appeals of stakeholders with the characteristics of the industry. Adhering to the core tasks of **food safety development, product responsibility, energy conservation and environmental protection, corporate contribution** and **win-win partnerships**, the Company continued to exploit its advantages in the industry, to increase investment, aiming to sustain its innovative contributions in corporate sustainable development.

SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE

The Board of Directors of the Group is generally responsible for sustainable development governance and information disclosure. Master Kong CSR Committee worked well in 2020, and was upgraded to Sustainable Development Committee in early 2021. The new Sustainable Development Committee is chaired by the Chairman of the Board and CEO of the Group, and is composed of members of the Group's Operations Committee. The Commission has four major working groups: beverage resources, instant noodles resources, research and development, and communication. The working groups draw up annual work plans to promote the implementation of relevant projects and regularly report the work progress to the Sustainable Development Committee and senior management of the Company.



IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS

Master Kong profoundly understands the economic, environmental and social challenges of mankind. It reviews the development strategies and daily operative management with global insights. We devote to keeping pace with the development of SDGs and count it as an opportunity to achieve sustainable development.

In 2020, based on the SDGs that were identified as most relevant to the Company's operation and business development in the previous year, we continued to integrate resources, made more efforts to respond to the expectations of stakeholders and promoted the implementation of important SDGs goals.

In July 2020, based on its efforts in the field of sustainable development for many years and outstanding performance in implementing the UN Sustainable Development Goals, the case of Master Kong was selected in the "Private Sector Awareness of the Sustainable Development Goals - A survey Report on Business and Sustainability in China", issued by the United Nations Development Programme ("UNDP"). As one of the few representative enterprises selected for the report from around 100 invited enterprises (including foreign-owned enterprises in China), Master Kong has been given the opportunity to showcase the impact of Chinese enterprises with regard to sustainable development on a broader stage. In September, Master Kong shared a case of focusing on the food safety basics and driving the sustainable development upstream and downstream along the industrial chain at the 2020 China International Fair for Trade in Services. At the same time, Master Kong launched and held the event themed as "Ethical Treatment of Everything - Online Forum on Sustainable Development" and discussed with various experts, scholars and business representatives on how the business community should proceed with sustainable development and embrace the "Ethical Treatment of Everything" philosophy.

In the future, we will take more actions to actively implement and practice the sustainable development goals set up by the United Nations and contribute more to the sustainable development of individuals, families, communities, the nation and the planet.

Master Kong's core mission of sustainable development corresponds to key SDGs

Our actions

Our achievements in 2020

FOOD SAFETY DEVELOPMENT

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

- Vigorously improving the food safety management and control mechanism, effectively propelling food safety construction, and promoting cooperation in the field of food safety to cope with food safety risks;
- Innovating food safety technology and improving product quality;
- Increasing technical exchanges and cooperation with cross-regional partners and peers to jointly improve the overall food safety level of the industry;
- Strengthening talent and team building in the field of food safety.

- Annual investments in food safety and quality control exceeds RMB 160 million;
- The Food Safety and Quality Assurance (FSQA) was established to strengthen food safety management and quality assurance;
- We were given the green light to set up Shanghai Instant Food Engineering Technology Research Centre, which is responsible for food safety testing, research and development, knowledge popularisation training, providing the society with authoritative and fair third-party services;
- Continuously improving the whole process traceability system to realise the transparent management of raw materials and finished products;
- The food safety team has more than 1,800 employees.

PRODUCT RESPONSIBILITY

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Supplying customers with safe, nutritious and healthy food to satisfy various kinds of demands;
- Building product image and enhancing brand influence through responsible labelling, advertising and intellectual property management;
- Improving service quality and service efficiency, establishing efficient communication with customers;
- Protecting customers' privacy in all aspects.

- The annual settlement satisfaction rate of customer complaint was 97.3%;
- Introducing a variety of nutritious and healthy products such as "Unsweetened Green Tea" and "Handmade Noodles";
- Signing a strategic cooperation agreement with Tencent Smart Retail to accelerate the construction of "Full Link Digitisation" in the FMCG Industry;
- Best Marketing Effectiveness Award in the 11th Golden Mouse Digital Marketing Competition and the Most Popular Instant Food Award 2020.

ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION

6 CLEAN WATER AND SANITATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

- Strictly controlling standards for discharge of pollutants, actively carrying out energy conservation, and promoting low-carbon transition;
- Optimising or reducing the consumption and use of product packaging;
- Focusing on climate change risks and building sustainable supply chains;
- Optimising logistics and production line systems to improve the efficiency of transportation and manufacture monitoring.

- The comprehensive energy consumption per tonne of output in 2020 decreased by 1.86% year-on-year;
- The water consumption per tonne of output in 2020 dropped by 1.99% year-on-year;
- The greenhouse gas emissions per tonne of output in 2020 decreased by 4.42% year-on-year;
- 43.8% of the instant noodle suppliers were certified by the Roundtable on Sustainable Palm Oil (RSPO);
- 30% of white sugar for the beverage business is sourced from suppliers with Bonsucro certification for sustainable development;
- Continuously reducing the weight of beverage PET bottles and promoting the recycling of PET

WIN-WIN PARTNERSHIPS

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

- Master Kong shares big data and consumer insight about smart business circle with partners to realise the industrial information upgrading;
- Providing professional technical support and guidance to suppliers and farmers to help them improve food safety management, production process and product quality, driving technological upgrading, promoting local economic development and increasing farmers' income;
- Building a diversified workforce and continuously strengthening the construction of health and safety management system;
- Creating a harmonious employment relationship and striving to provide a favourable and harmonious working environment for employees.
- Integrating education-based training with employee career development to create learning opportunities for employees.

- Engaging professional organisations to carry out special training on "Enhancing the self-audit capability of ESG in the supply chain";
- Continuing to accelerate the digital management of supply chains, covering the upstream and downstream of the value chain;
- Continuing to facilitate the implementation of the Supplier Relationship Management (SRM) system and training upstream suppliers and relevant personnel of Master Kong supply chain;
- Digital management of human resources and building of an intelligent system of human resources;
- A variety of training courses and projects were launched, with a total of 6,450,600 total training hours, and training per person of 113.67 hours.

CORPORATE CONTRIBUTION

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

- Master Kong is enthusiastic about public welfare undertakings and supports social progress and development;
- Deepening school-enterprise cooperation and developing outstanding talent for society;
- When trouble occurs at one spot, help comes from all quarters. The whole country has made efforts to assist people in emergency situations;

- Community investment was approximately RMB 72 million and hours of employees' volunteering activities were approximately 294,000 hours;
- Establishing school-enterprise collaboration with 32 colleges and 51 polytechnic schools nationwide;
- Deepening strategic cooperation with Yuanpei College of Peking University and D. School of Stanford;
- Continuing to carry out the public welfare activities such as food safety and aerospace knowledge popularisation and education on water;
- Continuing to support sports events such as marathon and badminton games;
- Go deep into the disaster stricken areas to convey warmth and care.



STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT OF KEY ISSUES




We attach importance to communicating and interacting with stakeholders through various channels. By actively understanding stakeholders' expectations and requirements on Master Kong in the areas of sustainable development and social responsibility, we identify our shortcomings in these areas to constantly develop, improve and upgrade management capabilities and standards and strive to fulfil the needs of stakeholders while practising the concept of sustainable development.

Based on business and operational characteristics, and drawing on the experience and excellent practices of domestic and foreign peers, Master Kong recognises shareholders and investors, employees, distributors (including clients), suppliers, government and regulatory agencies, media, communities and the public, universities and scientific research institutions as its principal stakeholders. We actively communicate with our principal stakeholders through websites, conferences, various forms of reports, events, and other channels and methods.

Based on the communication with stakeholders, Master Kong identified and evaluated the materiality assessments on Sustainable Development hot topics in the industry, presented the evaluation results in the form of material topics assessment matrix, and made responses in this report based on the results.

主要利益相关方及沟通渠道

 Descriptions of Stakeholders	Communication Channels and Responses
Shareholders and Investors	Domestic and overseas legitimate equity and debt investors to Master Kong General meetings of shareholders, annual reports, interim reports, results announcements, roadshows, etc.
Employees	Personnels who sign a formal employment agreement with the Company and who serve the Company on a regular basis Staff activities, staff congress, staff training, staff manual, corporate publications, etc.
Distributors (including clients)	Companies, stores or individual businesses that legally distributing various branded products of Master Kong Product exhibitions, industry survies, customer service hotlines and satisfaction survies, etc.
Suppliers	Companies, stores or individual businesses that legally supplying production materials, accessories and office supplies to Master Kong Open bidding meetings, strategic cooperation negotiations, exchanges and visits, etc.
Government and Agencies	Food, taxation, environmental protection, safety and other authorities; local governments; the SFC and other regulatory agencies Field visits, official correspondences, policy implementation, information disclosure, etc.
Media	Newspapers, TV stations, Internet companies and other media agencies that have established legal partnerships with Master Kong Business interviews, cultural promotion, featured activities, etc.
Communities and the Public	Local communities, the public, non-profit organizations, etc. Community activities, employee volunteer activities, public welfare activities, social cause support, etc.
Universities and Research Institutions	Universities, colleges and research institutes partnering with Master Kong Recruitment presentations, training programs, seminars, academic exchanges and cooperative research projects



FIGHT THE PANDEMIC, HEALTH IS A BLESSING, ENSURING "LIFE + DELICACY"

“

In the fight against COVID-19, each business division united and set up a special group to help prevent and control the pandemic. While actively working to resume work and production, we have also made charitable donations, including both monetary and in-kind donations, to demonstrate our corporate responsibility and commitment with practical actions.

”

Resuming Work and Production Timely to Ensure Supply 21

Striving to Protect the Health and Safety of Employees 21

Fulfilling Social Responsibilities to Carry Out Anti-pandemic Support Actions 22



In early 2020, the COVID-19 pandemic spread across nationwide. Master Kong responded quickly, resumed work and production in an active and orderly manner, and donated funds and materials proactively demonstrating corporate responsibility and commitment with practical actions. At the same time, all businesses have established special teams for pandemic prevention and control to protect the health and safety of our employees. Based on the pandemic prevention experience at the beginning of the year, we further improved the emergency plan and control planning for pandemic prevention and control, environmental disinfection, pandemic publicity and education, and preparation of anti-pandemic materials, so as to ensure the quarantine during the pandemic and returning to work after the holidays can be carried out safely and smoothly. We worked together to build a line of defense against the pandemic to ensure "Life + Delicacy".



Ensuring Price, Quality and Supply



RESUMING WORK AND PRODUCTION TIMELY TO ENSURE SUPPLY

In response to the sudden outbreak of the pandemic, we responded to the "Ensuring Price, Quality and Supply" series of actions organized by the State Administration for Market Supervision as soon as possible while focusing on pandemic prevention and control. We coordinated with government's requirements to promote the orderly resumption of work and production, and promised our factories fully resume production to meet market demand. All businesses of Master Kong responded quickly to the pandemic, our factories prepared emergency plans to combat the pandemic based on local conditions and the requirements of the local governments, implemented the government's and our internal guidance for pandemic prevention and control and production resumption, aiming to fully meet the market demand. Based on the principle of serving operation and serving market, we worked together and communicated with external parties, coordinated the safe and timely resumption of production in factories. The supply chain departments of all businesses urgently procured anti-pandemic materials to ensure the smooth flow in raw material procurement, finished product delivery and transportation, the staff on duty made every effort to resume production.



Factories in pandemic areas strived to protect the health of employees

STRIVING TO PROTECT THE HEALTH AND SAFETY OF EMPLOYEES

In order to help the Company resume work and production in a timely manner, all businesses of Master Kong planned the pandemic prevention and control measures urgently, formulated and issued the "Emergency Plan for Prevention and Control of COVID-19", the "Employee Canteen Dining Regulations", the "Code of Practice for Disposal of Discarded Masks", the "Code of Practice for Management of Smoking Area during the Pandemic", the "Code of Practice of Returning to Work for Quarantined Personnel", the "Code of Practice for Incoming Visitors", the "Code of Practice for Management of Dormitory Pandemic Prevention and Occupancy" and other systems and requirements. In order to control the density of people in factories and offices, all businesses of the Company reasonably implemented the combination of staggered commuting and work from home to protect the health and safety of employees, ensuring that employees can put their minds to work, so that the production efficiency and product quality can be effectively guaranteed.

After the 2020 Chinese New Year Holiday, in order to ensure the smooth and safe resumption of work for non-local employees, all the businesses of Master Kong adopted a point-to-point approach to solve the problem of employees returning to the factory, contacted government departments to arrange for employees to return to the factory on a migrant express train, and actively bore the hotel accommodation expenses during the quarantined period of returning employees.

We also distributed masks and other pandemic prevention materials to our returning colleagues, and regularly conducted disinfection operations in the factory, office administration building, sidewalk for the peripheral area of the factory, canteen and ground, loading areas, guard rooms, restrooms, garbage room and other areas. We also reimbursed employees for nucleic acid testing costs incurred due to business trips. We installed hand soaking facilities at the entrance of the factory workshops, and employees are disinfected and then cleaned with alcohol sprays before entering the factory. The employees who returned to work were required to report daily health status and itinerary information, have their body temperature monitored, and wear masks throughout the day. Separate eating was adopted in staff canteen, employees had meals in separate seats. If suspected patients were found, the infected personnel shall be quarantined and the transmission route shall be cut off at the first time, while promptly reporting to the pandemic prevention and control departments of the employee's place of residence and his/her units. In addition, considering the possible negative impact of the pandemic on employees' psychological health, we organized online training, issued staff care videos and inspirational promotional materials to encourage everyone to overcome the difficulties together.

The Socially Responsible Enterprise title of Catering Industry Helps with Nation Fight the Pandemic

shrimps and fish cake from our Hangzhou factory to support the medical teams from Guangdong and Shanghai. In addition, in order to help medical workers replenish their energy and refresh their minds, we also provided a variety of flavored coffee products such as Bernachon Mandheling and Mocha Latte. On the eve of Chinese New Year, the first batch of donated materials has been delivered to the medical staff of Wuhan Ninth Hospital. Subsequently, Master Kong made donations to 14 front-line hospitals, including Wuhan Jinyintan Hospital, Wuchang Hospital, Hankou Hospital and Central War Zone General Hospital. At the same time, the headquarter of the Group launched the anti-pandemic support actions "Fight the Pandemic, Health is a Blessing", and various local companies actively responded. The colleagues of Master Kong in Wuhan have bravely stepped forward and drove out nearly a thousand routes during the crisis, consoling front-line medical staff and workers in Wuhan, Xianning, Hanchuan, Ezhou, Yichang, Shiyang, Xiangyang, Enshi, Shenlongjia, Huangshi, Huanggang, Changsha, Changde, Huaihua, Hengyang, Yiyang, Zhangjiajie, Nanchang, Jiujiang, Yichun and other cities. The Company delivered more than 2.56 million pieces of products to the front line of the pandemic, building a large network of love with "Speed, Strength and Temperature" and sending the warmth of Master Kong people to the white angels fighting against the pandemic across the country.

FOOD SAFETY POSITIONED AT CORE; NUTRITION SERVED AS FIRST PRIORITY; ENJOY “LIFE + DELICACY”

“

Master Kong has always attached great importance to food safety management, adhering to the attitude of "zero tolerance for food safety issues". All business divisions continue to improve the construction of food safety management system. Our new product development initiative also aims to meet constantly changing consumer demand for nutrition and health.

”

Food Safety Management and
Control Mechanism 26

Construction of Food Safety
System 28

Nutrition Product Development
and Expansion 30

Collaborative Development of
Industry, Research and Learning 32





FOOD SAFETY MANAGEMENT AND CONTROL MECHANISM

Master Kong is committed to its mission of "Promoting Chinese Food & Beverage Culture" and took food safety as the foundation of the Company. The Company strictly abides by laws and regulations, such as the Food Safety Law of the People's Republic of China, the Product Quality Law of the People's Republic of China and the Agricultural Product Quality Safety Law of the People's Republic of China. Adhering to the attitude of zero tolerance for food safety issues and relying on professional capabilities and advanced equipment to connect with the quality aerospace, we ensure the quality of products from farmlands to dining tables, and assure "safety on tip of tongue" of the people.

As one of the earliest large food companies in China that invested in setting up a functional department dedicated to food safety, the Food Safety Centre of the Central Research Institute ("Food Safety Center") continues to operate in sound condition. Established in 2008, the Master Kong Food Safety Center covers an area of 2,600 square meters, and invests more than RMB 20 million in research every year, with more than 90% of its employees holding master's degrees or above. The number of food safety monitoring indicators exceeds 1,500 per year, and the number of inspections is over 3.5 million times. The Food Safety Center has strict control over food safety control points, such as pesticide residues, heavy metals, food additives, allergens, microorganisms and GMOs. The Food Safety Center undertakes the Group's internal food safety management tasks, and also assists government regulatory authorities in promoting food safety risk monitoring and standardization work. It has been accredited by China National Accreditation Service for Conformity Assessment (CNAS).

Drawing on the management model of food benchmarking enterprises in advanced countries, Master Kong has strengthened the supervision and control responsibilities of the Food Safety Center through organizational adjustments and refinements, and reinforced the system construction by strictly controlling access management based on the study and judgment of industrial development trends. The Food Safety Center has set up a Food Safety Research Group, a Regulatory Outreach Group, a Risk Audit Group and an Access Management Group to carry out inspection and analysis and food safety related research, support product quality control, establish and improve Master Kong's internal food safety regulatory system and technical standards, investigate systemic food safety issues of suppliers and factories, and improve product access management. In June 2020, Master Kong established the Food Safety and Quality Assurance (FSQA) to enhance food safety management and quality assurance, which further improved Master Kong's food safety control level.

>160million

Investment in Food Safety and Quality Control

100%

Supplier Signing Rate of Food Safety Management Agreement

100%

Supplier Food Safety Management Inspection Coverage

CONSTRUCTION OF FOOD SAFETY SYSTEM



In 2020, Master Kong continued to improve the food safety management system for all businesses. For instant noodle business with the smooth running of FSSC22000 (Food Safety Certification System) at all normal operating factories, the Company continues to promote "Quality System Management on Processing Oil for Instant Noodles", to safeguard food safety in processing oil, Master Kong applied for accredited product review from Standard Global Services (SGS) and China Quality Certification Center (CQC). In addition, subject to internal audit clauses "AIB+" of American Institute of Baking (AIB), the instant noodle business builds factories in Tianjin and Hangzhou into AIB+ demonstration factories, and drives all production bases to jointly improve food safety management level through benchmarking management mode. For Master

Kong beverage business and Pepsi beverage business, all normal operating factories have secured ISO22000/Food Safety System Certification (FSSC) 22000 and Hazard Analysis and Critical Control Point (HACCP) system certifications, among which, all bottled water factories have obtained the National Sanitation Foundation (NSF) annual certification, and all Pepsi beverage factories and more than half of Master Kong beverage factories have participated in the annual AIB food safety audit and successfully passed. Hangzhou Tingjin Factory has obtained the CNAS Microbiology Laboratory certifications. All factories for bakery business have obtained ISO9001 (quality management system) and ISO22000 certifications, operated in sound condition and passed the 2020 annual system inspection and audit.

① A factory in normal operation is one that has been in operation for at least 6 months of the year and is not in production shutdown status.



We believe that building a high-level safe China requires providing a level of food safety assurance. In Master Kong's business philosophy, food safety is a non-competitive field, and the forward-looking research and technological advantages we have achieved should be actively shared with our peers and the society. In 2020, we have continued with the following major efforts in the area of food safety:

1

Continued to increase investment in food safety. By the end of 2020, our dedicated food safety and quality control team had grown to over 1,800 employees. Through external inspection by raw material suppliers, food safety assessment and inspection, incoming raw material inspection, in-process inspection, finished product shipment inspection, and sampling inspection of products in the market, we achieved strict monitoring of the entire industrial chain.

2

In 2020, we were approved to establish the Shanghai Convenient Food Engineering Technology Research Center, which would assume the responsibilities of food safety testing, R&D, science training and providing authoritative and impartial third-party services for the society. Through this center, Master Kong will make use of domestic and international high-quality academic resources to promote high-end research and development of food safety technology and the transformation of R&D results, and actively provide useful references for the formulation and updating of national food safety standards to improve the industry's food safety management in all aspects.

3

We actively implemented the main responsibility of enterprises and continued to improve the whole traceability system. In our production plants, we have improved the effectiveness of our food safety traceability system through continuous system improvement and technological refinement. Recently, we have been working with suppliers and customers. Under the guidance of professional institutions, we aimed to strengthen the upstream and downstream traceability to further achieve an transparent management of raw materials and products flow.



Support "Healthy China", Protect "A Bite of Safety"

In order to contribute to the strategy of "Healthy China" and protect "A Bite of Safety", Master Kong has carried out Food Safety Month activities for eight consecutive years, aiming to fully mobilize the company's resources, form synergy with upstream and downstream partners, strive for excellence and ensure zero tolerance for food safety risks.

At the launching ceremony of 2021 Master Kong Food Safety Month activity, CEO of Master Kong, Chen Yingrang said: "Master Kong has attached great importance to food safety management, and regarded it as the basis of an enterprise for long. We always adhere to the attitude of "Zero Tolerance for Food Safety Issues", firmly implement the food security strategy of "take active screening, highlight the key points, carry out resolute rectification, make periodical declaration, gain trust of the public". Since 2014, Master Kong holds Food Safety Month activity annually, which has become an important measure to specifically fulfil food safety responsibility of the corporate."

In recent years, by leveraging digital transformation, Master Kong has established the "Digital Identity Information" of products, covered the requirements of food safety construction to the upstream and downstream partners, and comprehensively expanded the width and depth of food safety supervision and management.

NUTRITION PRODUCT DEVELOPMENT AND EXPANSION



In 2020, the Fifth Plenary Session of the 19th CPC Central Committee put forward the visionary goal of "Building a Healthy China" by 2035 from the perspective of the overall development of the Party and the State, and made clear arrangements for comprehensively promoting the construction of a healthy China during the 14th Five-Year Plan period. As a leading enterprise in China's food and beverage industry, Master Kong deeply understands the significance of improving the nutrition and health quality of products. We recognize that with the ongoing consumption upgrading, consumers no longer focus only on the convenience, safety and delicacy of products, but increasingly focus on the nutrition and health quality of products.

Based on a deep understanding of the notion that "Prosperity for All Is Impossible without Health for All", the Company actively conformed to China's nutrition and health policies including National Nutrition Plan (2017-2030), and incorporated the concept of nutrition and health into its research and development activities, such as product formula design, product innovation and technical cooperation. In 2020, Master Kong continued to satisfy customers' needs for nutrition with new products developed, which included the "Handmade Noodles" characterized delicious and fresh soup, the "Soup Chef" with exquisite ingredients, and the zero-sugar and zero-calorie series represented by "Sugar-free Green Tea", "Sugar-free Jasmine Tea" and "Low-sugar Oolong Tea". Of which, the "Handmade Noodles" was awarded 2019-2020 Best Instant Food Innovation Grand Award and 2020 Most Popular Convenience Food Award.

2035

The visionary goal of "Building a Healthy China" by 2035



the "Handmade Noodles"
was awarded 2019-2020 Best Instant Food Innovation Grand Award
and 2020 Most Popular Convenience Food Award



Think "Big" for Green Tea

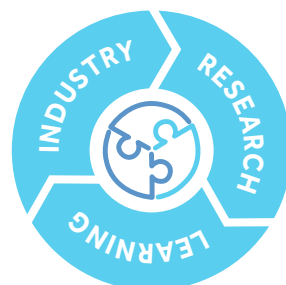
As consumers are increasingly concerned about the sugar content of beverages, hence the rapid growth in demand for sugar-free and low-sugar beverages, Master Kong created an "Sugar-free Green Tea" with zero fat in 2020. The new product only takes the first infusion of tea and uses the "cold extraction and slow filtration" tea making process, which can release more TP (tea polyphenol) and EGCG. TP can bring a "fresh and sweet" taste, while EGCG can prevent cardiovascular and cerebrovascular diseases and protect the kidneys, liver and nervous system. Master Kong's Sugar-free Green Tea is not only widely favoured by young consumers, but also used as an experimental sample by scholars from the Food Science and Health Laboratory of Nankai University for scientific research into the fat reduction effect of unsweetened green tea on people having a high-fat diet. The research results have been published and affirmed by Journal of Functional Food, an international authoritative journal with a strong influence in food nutrition area.

COLLABORATIVE DEVELOPMENT OF INDUSTRY, RESEARCH AND LEARNING



Master Kong continued to advance science and research collaborations on health and nutrition with a number of renowned institutions like Winter Sports Center of the General Administration of Sport of China, Peking University, Nankai University, Shanghai Jiao Tong University and Shenzhen Space Science and Technology Institute throughout 2020. With these partners and via offering relevant products as well as conducting science popularization activities, Master Kong significantly advocated the concept of health and nutrition among the public and had a positive impact on addressing people's needs for a better life.

On 19 May 2020, Master Kong and the College of Agriculture and Biology of Shanghai Jiao Tong University held a cooperation signing ceremony at Master Kong's Shanghai Operation



Center. Relying on the SJTU-Bor S. Luh Food Safety Research Center of Shanghai Jiao Tong University and taking Master Kong's Shanghai Instant Food Engineering Technology Research Center as platform, Master Kong and the College of Agriculture and Biology of Shanghai Jiao Tong University jointly carry out research activities on quality and safety control and testing technology of the entire food industry chain, and the development of healthy food and food raw materials. Taking the opportunities of food safety upgrade, smart city agriculture and healthy ecology of the whole industry chain, both parties will build urban smart agriculture and food industry chain, strengthen talents cultivation and exchange, and jointly promote the cooperation of food science research in all aspects and multiple fields.



Master Kong signs of industry-academic cooperation agreement with the College of Agriculture and Biology of Shanghai Jiao Tong University

TOGETHER WITH INTEGRITY AND COOPERATION, SHARE “LIFE + DELICACY”

“

Mater Kong, as a leader in the food and beverage industry, places consumer demand at the heart of our operation, and we achieve efficient communication with consumers through establishing brand service matrix. In addition, we are committed to green development and pledge to continuously advance towards the goal of building a sustainable supply chain system.

”

Serving Consumers	37
Advertising and Intellectual Property Management	37
Supplier ESG Management	38
Procurement of Sustainable Raw Materials	39
Anti-corruption Management and Professional Ethics	40
Brand Breakthrough	41



Share

SERVING CONSUMERS



Master Kong attaches great importance to customers demands by setting up consumer hotline, along with official Weibo, WeChat and other service channels and information retrieval platforms to ensure the efficient communication with customers. We have also formulated customer service-related specifications and implemented informatization and process management. Upon receipt of customer complaints, the customer service centre will reply within the prescribed time limit and follow up to ensure that issues raised by consumers are properly resolved through returned visits and other methods. For common issues, the customer service team will discuss and draw conclusion to reach for optimised solutions. We identify deficiencies in our service via consumer satisfaction surveys and other forms and make continuous improvements and adjustments. Meanwhile, we constantly strengthen the training of customer service staff and set KPIs for customer service assessment to continuously motivate customer service staff to improve service quality and efficiency. During the year, Master Kong's overall customer satisfaction rate in customer compliant response reached 97.3%.

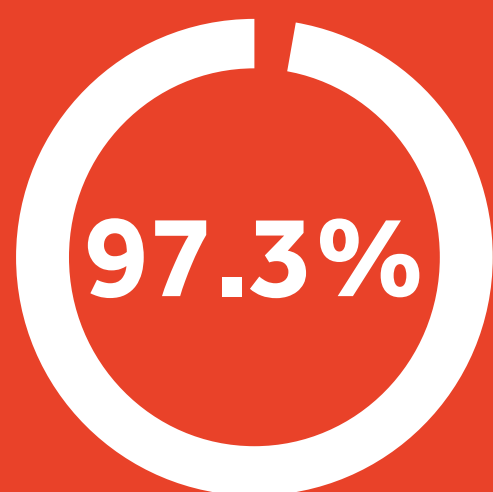
While providing customers with satisfactory services, Master Kong focuses on protecting customer privacy. We have formulated and strictly enforced a comprehensive consumer privacy protection system. In practice, we only obtain the necessary consumer information, and we ask for the consumer's consent before obtaining the information; when necessary, we work further by entering into confidentiality agreements. In cooperation with external partners, we incorporate consumer privacy confidentiality regulations and requirements into the contracts. For consumer information that has been acquired and saved, we have an internal access right system and conditions in place for proper use to fully protect consumer privacy.

ADVERTISING AND INTELLECTUAL PROPERTY MANAGEMENT



When dealing with advertising and product labels, Master Kong strictly complies with the laws and regulations, such as the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China, to ensure that the advertisement and label contents were true and legal, so as to avoid exaggerating, false or misleading contents. At the same time, the Company strictly controls brand promotion and marketing activities and promotes the honest undertaking of contracts among partners or other advertising publishers and operators.

Master Kong continues to consolidate and promote intellectual property management and protection measures. The Company cooperates with professional institutions to comprehensively protect intellectual property, including patents and trademarks. We have applied for registration to protect our core trademarks in many countries and regions around the world, conducted customs filing application for key intellectual property, and set up line of defense for customs intellectual property monitoring against infringing products and protects brand image. Before launching a new product, Master Kong will comprehensively analyze the intellectual property involved; while protecting our intellectual property, we avoid infringing the intellectual property of other parties. When we are in cooperation with our partners, we respect and legally adopt the intellectual property of others, and remain vigilant in protecting our own intellectual property.



2020
Master Kong's satisfaction rate in
customer complaint response reached

SUPPLIER ESG MANAGEMENT ESG

As a leader in the food and beverage industry, Master Kong profoundly understands the importance of the safety, high-quality and sustainable raw materials for food.

In terms of supplier environmental and social risk management policy formulation, Master Kong has developed the Operational Method for Supplier Assessment to provide the basis for supplier management and evaluate suppliers from the perspective of food safety, stable good supply, innovation capability and procurement costs. In 2020, we continued to expand the coverage of the Master Kong's Basic Agreement with Supplier on Environmental and Social Compliance, which includes suppliers' environmental and social performance into the scope of assessment and requires suppliers to comply with environmental and social aspects of the "Nine Mandatory Requirements" - including minimum age of employment, forced labor and binding employment, business ethics, serious environmental pollution, serious health or safety hazards, working hours, wages, employee work-related injury insurance and food safety. At the same time, we have signed the Anti-Commercial Bribery Commitment with suppliers, which reflects Master Kong's requirements for suppliers in terms of environmental and social risk management and demonstrates our determination to fulfill the core corporate social responsibilities of the value chain.

Regarding supplier environmental and social risk management practices, in the hiring of new supplier, Master Kong prefers to cooperate with well-known enterprises in the industry, conducts strict audit on supplier qualification, carries out investigation on product quality management capabilities, tests production samples, to ensure that supplier's products meet the relevant national standards and Master Kong's requirements on food safety. We conduct on-site inspection of the supplier's production plant every year. The scope of our inspection includes manufacturer's license (including production license, ISO authentication and other qualification documents), quality control capacity, product supply capacity, food safety control capacity, environmental and occupational health and safety management level. During the annual supplier review, we closely assess the production environment of the supplier's workshop and plant, the compliance of waste emissions, and personnel safety awareness in operation.

In order to enhance supplier's independent audit capability in environmental and social risk management, in November 2020, we appointed professional institutions to carry out a special training on "Supply Chain ESG Independent Audit Capability Enhancement" for the procurement team of the supply chain department from each business division. The training covered the knowledge in the supply chain ESG audit standards, audit processes and specific operating methods and other aspects, included the key areas in supplier ESG audit such as employment, working hours and benefits, occupational health and safety, anti-discrimination and anti-harassment, and business ethics, which has further enhanced the supply chain team members' understanding and knowledge on supplier ESG audit. In the future, we will continue to carry out capacity-building activities in the field of supply chain ESG risk management, and work to enhance supply chain ESG risk management capabilities through a combination of self-learning and external training, so as to better enhance sustainable development capabilities with supply chain partners.

In 2020, Master Kong continued to promote the digital management of the supply chain, covering all aspects of the upstream and downstream of the value chain. We continued to promote the implementation of Supplier Relationship Management (SRM) system. Through the training of upstream suppliers and Master Kong supply chain personnel, we achieved digital management for the entire bidding process from release of tenders, supplier introduction, reserve price signing and approval, procurement bidding, and bid approval. With the SRM system, we achieved paperless operations, reduced the circulation and delivery of paper documents, such as the reserve price list and supplier tenders. By changing the original operation method of manually entering prices, we have greatly improved our work efficiency and accuracy. At the same time, we continued to promote the implementation of Material Requirement Planning (MRP), which can automatically calculate raw material requirements, reduce the manpower for raw material demand planning and improve the accuracy. As such, we can procure as planned, arrange production line operations reasonably, achieve smooth production, avoid overloading or idling operation of production line, increase the flexibility of scheduling and improve production efficiency.

PROCUREMENT OF SUSTAINABLE RAW MATERIALS

Master Kong has always been committed to green development and sustainable operation. For procurement of sustainable raw materials, Master Kong requires all cartons suppliers for each line of the Company's businesses to be 100% FSC (Forest Stewardship Council) certified. The palm oil for Master Kong's instant noodle business is provided by large suppliers in China, of which 43.8% hold SRPO certification; 30% of the white sugar of Master Kong beverage business and Pepsi beverage business come from suppliers with Bonsucro certification for sustainable development. When selecting new suppliers, we give priority to suppliers with sustainable certification to continuously build Master Kong's sustainable supply chain system.

1 The Forest Stewardship Council (FSC) is a non-governmental, non-profit organization that sets standards for responsible forest management in order to achieve its mission of protecting forests for future generations. Forest Stewardship Certification ensures that forest management is conducted in accordance with the highest environmental and social standards. Chain of custody certification implies that products with the FSC label are viewed as a direct support to responsible forest management.

2 The Roundtable on Sustainable Palm Oil (RSPO) is the only global multiparty initiative dedicated to making sustainable palm oil the norm. RSPO certification guarantees that the palm oil products purchased by consumers are produced to sustainable standards.

3 Bonsucro is an association comprised of cane sugar producers and downstream processors with the goal of ensuring that cane sugar production is sustainable through social and environmental responsibility initiatives.





ANTI-CORRUPTION MANAGEMENT AND PROFESSIONAL ETHICS

Master Kong strictly complies with the law and regulation requirements such as the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. The Company establishes and regularly assesses the anticorruption management systems, continuously strengthens the Company's anti-fraud system, and avoids any direct or indirect forms of bribery and other illegal commercial conducts. Master Kong strictly controls the Company's funds and cash flow to prevent money laundering.

The Company requires employees to strictly abide by business ethics. We sign Commitment Letter on Anti-Corruption with staff and suppliers and issue the Measures for the Management of Integrity and Self-discipline of Employees that covers all employees. This Measure clearly defines fraud and violations of business ethics, clearly stipulates the supervision responsibilities of internal control, risk control and audit departments, and systematically sorts out the reporting, supervision and review process and punishment rules. In 2020, the Company conducted trainings on the measures for supply chain departments of each business, and the trainees included leaders of factories and other management personnel. This training has strengthened the awareness of business integrity in relevant positions, and resolutely put an end to bribery and other violations of professional ethics in business dealings. At the same time, the Company released a series of courses on keeping away from negative energy in the "WEME Online Academy" to warn against corruption and bribery in disguised forms that may occur during business operation, and put forward corresponding punishment plans. The Company has also conducted anti-corruption advocacy training for newly recruited employees in the form of mobile terminal animation, teaching through lively activities to profoundly encourage an anti-corruption mindset.

The Company has set up reporting hotline and email to encourage employees and external personnel to report improper conducts such as commercial bribery and fraud. The Company audit department strictly follows the Whistleblower Operating Procedures to implement whistleblower handling. Following the case investigation, the Company will analyze the effectiveness of internal control and track improvement. For major fraud cases, regular publicity is carried out to strengthen the business ethics of the staff. This year, in order to further strengthen the Company's anti-fraud management capabilities, Master Kong joined the China Institute of Internal Audit and actively participated in the activities hosted by the association, keeping abreast of the latest development direction and enhancing the anti-fraud investigation skills.

BRAND BREAKTHROUGH



ENHANCE BRAND POWER BY IP COLLABORATION

Master Kong attaches importance to IP marketing cooperation to create a better resonance among consumers. In 2020, we conducted in-depth cooperation with the domestic comics IP "Douro Mainland", which is favoured by young consumer groups, in the fields of animation and mobile games. Under the cooperation, we integrated Rattan Pepper Beef Noodle- one of our instant noodle brands, with the Douro Mainland animation for content co-creation, and with the New Douro Mainland mobile game for in-depth implantation. Such a co-creation was to emphasize the combination of the refreshing taste experience of Rattan Pepper Oil with the IP's "burning" theme, aiming to transform consumers' refreshing experience from taste to their recognition of Master Kong's products, and ultimately leading to a win-win situation for our brand and the IP brand with traffic growth. Meanwhile, the protagonist image of Douro Mainland IP also appeared on the packaging of Master Kong's instant noodle products. Through offline and e-commerce channels, Master Kong's product promotion and marketing were conducted with satisfactory market feedback, which effectively improved Master Kong's product reach and the audience base. In 2020, with the marketing case- Combination of Master Kong Rattan Pepper Beef Noodle and Douro Mainland with Triple "Linkage" Creates the First Ecological Closed-Loop of National Comic Marketing", Master Kong won 5 awards from 4 well-known marketing competitions, namely Best Marketing Effectiveness Award, Digital Media Integration Silver Award in the 11th Golden Mouse Digital Marketing Awards, Crossover Marketing Bronze Award in the 20th IAI International Advertising Awards, Bronze Award in Media Group in the 13th ROI Festival, and Excellence Award in Food Category in the 11th Tiger Roar Awards.

Best Marketing Effectiveness Award, Digital Media Integration Silver Award in the 11th Golden Mouse Digital Marketing Awards, Crossover Marketing Bronze Award in the 20th IAI International Advertising Awards, Bronze Award in Media Group in the 13th ROI Festival, and Excellence Award in Food Category in the 11th Tiger Roar Awards.



25

 years

Over the 25 years
since its launch



"CHEERING YOUR SPIRIT UP" IMPRESSES YOUNG CONSUMERS

Over the 25 years since its launch, Master Kong Iced Tea has maintained a young brand image. In recent years, focusing on the interest of the new generation of consumers, Master Kong Iced Tea has built a young brand image which is deeply rooted among people and has received numerous fans. Master Kong iced tea is good at "heart touching" approach which combines popular psychology and fashion trends that is capable of arousing a knowing smile among consumers. Based on the lifestyle of the younger generation and with rich and diversified new content, the theme of "Master Kong Iced Tea - Hyper Fun" is fully interpreted. Before the upcoming 2021 Chinese New Year, Master Kong Iced Tea, together with our brand spokesperson William Chen and a popular idol of China Meng Meiqi, re-interpreted the classic song "A Fire in Winter", injecting a youthful spirit into the classic song, igniting the first fire of the 2021 Chinese New Year, bringing full vitality for the upcoming Chinese New Year and successfully making more people recognize the brand soul of Master Kong Iced Tea.

Master Kong Iced Tea has also meticulously crafted a series of marketing activities. Among them, the city documentary Wonder City in which the brand is deeply embedded, received a strong response after the broadcast, which has already set off a "Hyper Fun" craze. As the 2021 Chinese New Year was approaching, Master Kong Iced Tea and Tencent Video launched an in-depth cooperation, making the public have a deeper resonance with the brand proposition of "Galloping for well-off, Cheering your spirit up". In 2021, let's look forward to a new chapter in Master Kong Iced Tea's "Cheering your spirit up".

BRAND BREAKTHROUGH



“FULL LINK DIGITIZATION” OPENS A NEW ERA OF SMART RETAIL

Master Kong recognizes that the digital economy will become a new engine for China's economic development, and actively promotes the digital development of the industrial chain. On 15 December 2020, Master Kong and Tencent Smart Retail signed a strategic cooperation agreement in Shanghai, marking a milestone event for Master Kong in building the “Full Link Digitization” of the fast-moving consumer industry. Master Kong will carry out in-depth cooperation with partners on the Full Link Digitization, winning customers from full areas, refined operation of the consumer's full life cycle, intelligent production and digital management of the supply chain, and create new business models driven by technology. In particular, on the C-side (consumer), we will realize the digitalization of brand marketing to accumulate digital users by connecting different user points, so as to expand the customer base for the brand and improves customer stickiness; on the B-side (business), we will realize the scale of terminal stores to improve operating efficiency. “Full Link Digitization” helps Master Kong deliver the right products to the right consumers at the right time and in the right place, injecting strong momentum into Master Kong's sustainable development, and driving corporate transformation, consumption upgrades and a positive circle of the industry chain.

2020.12.15

Master Kong and Tencent Smart Retail signed a strategic cooperation agreement in Shanghai.



Master Kong and Tencent signing off a digital strategy cooperation agreement

CREATE THE EXCLUSIVE IP “NEW YEAR BLESSING FROM MASTER KONG”

In early 2020, Master Kong cooperated with the former national volleyball star player Lang Ping to launch the “New Year Blessing from Master Kong” marketing campaign, breaking the traditional brand communication stereotypes, creating an exclusive IP for the Master Kong brand and enhancing the emotional connection between the Spring Festival in the eyes of consumers and “New Year Blessing from Master Kong”. The “New Year's Health Is Good Fortune” IP represents Master Kong's national brand image of caring about the Chinese people and strengthens Master Kong's label as a representative of Chinese noodle culture and an inheritor of Chinese food culture. Multi-channel promotion strategy was adopted in this marketing campaign. Through internet platforms and movies and sports themes, all-around communications were made across all population. Centering on the Chinese women's volleyball team, New Year blessings were sent to mass consumers. As such, we could continue to improve consumers' favorability towards the Company's brand and strengthen Master Kong's national brand image that is concerned with the physical and mental health of the Chinese people and the happiness of their families. “New Year Blessing from Master Kong” creates emotional communication with thousands of families, pays tribute to Chinese culture, promotes Chinese food culture, and continues to help build the cultural self-confidence of the nation.

In early 2020

Master Kong cooperated with the former national volleyball star player Lang Ping to launch the “New Year Blessing from Master Kong” marketing campaign.



The exclusive IP of “New Year Blessing from Master Kong”

SUPPORT WINTER GAMES ATHLETES

The 2022 Beijing Winter Olympics is starting shortly. In active response to the call of Winter Sport Management Centre of State General Administration of Sport (the “Winter Sport Centre”) for the scientific diet customization for Chinese athletes, Master Kong became the sports convenience and nutrition meal partners of Winter Sport Centre (2019-2022) to provide safe, delicious and nutritious diet guarantee for athletes. In 2020, Master Kong will continue to deliver customized products for the Winter Sport Centre and to provide healthy diet for athletes in the winter games. At the same time, as a support to the Public Service Action Plan of the National Team for winter sports, Master Kong joined hands with the Winter Sports Centre to launch the Micro Classes of Ice and Snow Knowledge during the pandemic to popularize the Winter Olympics knowledge and enhance the influence of the Master Kong brand among the mass sports population.

2019 - 2022

Master Kong is the sports convenience and nutrition meal partners of Winter Sport Centre to provide safe, delicious and nutritious diet guarantee for athletes.



Master Kong supports winter games athletes

IMPLEMENT ENVIRONMENTAL PROTECTION AND MANAGEMENT AND ENJOY “LIFE + DELICACY”

“ Master Kong is well aware of the impact of its production and operation on the environment and resources, and actively takes the responsibility for protecting the environment. Through practical actions such as water and energy saving, quality and efficiency improvement, packaging plasticity reduction and weight optimization, we are practicing the concept of sustainable development by taking green actions.

”

Energy Conservation Management	46
Water Conservation Management	48
Low Carbon and Emission Management	50
Reduce the Use of Packaging Materials	52
Digital Production Management	53
Tackle Climate Change	53
The Key Environmental Performance Indicators	54





Energy Saving and Emission Reduction

Energy and Water Conservation, Low Carbon Emission Reduction, Packaging Material Reduction, Climate Change

Master Kong deeply understands the impact of its production and operation on the environment and resources, and actively takes the responsibility of protecting the environment. The Company identifies and complies with the requirements of national laws and regulations related to environmental protection, formulates internal energy-saving and emission reduction policies and systems in line with production and operation. In order to mitigate the negative impact on the environment, the Company increases investment in technological innovation, actively promotes the implementation of various energy-saving and emission reduction projects in each business line and factory, and actively carries out various project practices in various aspects such as energy saving, water saving, emission reduction and packaging material reduction. We are also highly concerned about the issue of climate change and realize that climate change is a major challenge for all mankind.

In 2020, Master Kong, with the support of external professional organizations, has initially identified the major climate change risks facing the Company. While avoiding potential risks, we actively take corporate citizenship responsibilities and work with all sectors of society to alleviate the impact of climate change, practice green development, and implement the concept of "Life+Delicacy".

ENERGY CONSERVATION MANAGEMENT



Master Kong formulates Energy Management Standards and Energy Consumption Assessment and Evaluation Methods as standards and guidelines, and the relevant system content is publicized and implemented in all factories. We also carry out delicacy management for energy consumption in each factory, implement the energy conservation practices and management measures in accordance with standards, focus on the detail control of the existing process, continue to implement the energy intelligent management system, explore and seek opportunities for energy conservation in various production processes. We actively conduct energy management health inspections, assess energy management conditions, and incorporate energy conservation and consumption reduction effects into performance evaluation indicators for related positions. We increase the importance of energy conservation for relevant positions to promote energy conservation efforts. In 2020, Master Kong's overall energy consumption per ton of output reduced approximately 6.4 kilowatt hours, representing a decrease of 1.86%, as compared to 2019. With their respective remarkable achievements in energy conservation management, 17 factories under Master Kong beverage business and 17 factories under Pepsi beverage business earned the honor title of "Excellent Energy-Saving Company" awarded by the China Beverage Industry Association.

↓ 6.4 kilowatt hours ↓ 1.86%

Master Kong's overall energy consumption per ton of output reduced approximately 6.4 kilowatt hours, representing a decrease of 1.86%, as compared to 2019

17 factories

With their respective remarkable achievements in energy conservation management, 17 factories under Master Kong beverage business and 17 factories under Pepsi beverage business earned the honor title of "Excellent Energy-Saving Company" awarded by the China Beverage Industry Association.



Recovery afterheat from frying

Alternating instant noodles business based on the existing steam box recovery device to recycle fresh air generated from the process of frying, which saves approximately 3200 tons of steam on each production line every year.

New air suspension blower in sewage station

With the integrated planning by the supply chain of Master Kong beverage business, RMB4.6 million was put into the transformation from old roots blower in sewage station of each comprehensive factory to new air suspension blower in sewage station. 33 devices were replaced this year, saving approximately 5,000,000 Kwh of electricity and mitigating the effect of noise.

Recycle of heat energy from cold-water machines

Pepsi beverage business Chongqing factory leverages original thermos bottle machine cold energy recovery pipeline to conduct heat exchange of heat, which is generated from process of cooling water by water chiller, through plate heat exchanger and thermos bottle machine, thus saving approximately 30,000 cubic meters natural gas by heating the cold water in thermos bottle machine to reduce the steam consumption of thermos bottle machine.

Transformation of packaging workshop

Bakery business conducts transformation on packaging workshop by separating workshop with color steel plate, which mitigates the drawbacks of large unutilized space in the original workshop and poor heat insulation effect. Upon transformation, the loans and energy consumption of refrigeration equipment were lowered, representing a decrease of 18.6% in electricity consumption as compared with that of the corresponding period of last year.

WATER CONSERVATION MANAGEMENT



All businesses of Master Kong formulate Energy Conservation Management Systems, providing system basis for water management of the Company. In 2020, we actively implemented multiple practices that were devoted to water conservation and improvement on water-use efficiency, conducted analyses on water consumption of factories, set up a regular monitoring mechanism for water quantity, to learn the water consumption status of each production sectors, report and review on water consumption statement statistical analyses. We further implemented key water-conservation reconstruction projects for processes and equipment with high water consumption and promoted excellent examples to all factories. We also stress the publicity and education of water conservation in the daily work, publicize and exercise the water conservation idea of "value water, conserve water and protect water" through training and posting signs. In 2020, Master Kong's water consumption per ton of output declined approximately 53.2 litres, representing a decrease of 1.99%, as compared to 2019. With excellent management practices, 14 factories under Master Kong beverage business and 17 factories under Pepsi beverage business earned the honor title of "Excellent Water Conservation Company" awarded by the China Beverage Industry Association for the second time.

↓ 53.2 litres
1.99%

Master Kong's water consumption per ton of output declined approximately 53.2 litres, representing a decrease of 1.99%, as compared to 2019

14 14 factories under Master Kong beverage business

17 17 factories under Pepsi beverage business

Excellent Water Conservation Company



↓ 1,920,000 tons

Recovery and reuse of condensate water

Instant noodle business has decided to implement the recovery and reuse of condensate water. Using the condensate water produced in workshop in daily cleaning and boiler in industries while reducing emission of waste water. In 2020, factories of instant noodle business have saved water of approximately 1,920,000 tons.



↓ 20,000 Kwh

Water saving of Frozen Filling Machine

Master Kong beverage business Hangzhou factory updated the Frozen Filling Machine this year. By ways of installing temporary storing barrels, recovery pipeline, valves, water pump and electricity control to realize the recycle of the water used to washing Frozen Filling Machine, thus reducing approximately 20,000 Kwh of waste water to achieve water saving each year upon reconstruction.



↓ 55,000 tons

Recovery of concentrated water

Reusing concentrated water produced by Pepsi beverage business Zhengzhou factory's original RO machines to improve water utilization and reduce waste water emission, thus saving approximately 55,000 tons of water every year.



CONSERVATION OF WATER RESOURCES AND BALANCED WATER USAGE

Master Kong deeply understands that the food and beverage industry highly depends on water resource, thereby obtaining stable and sufficient water resources is essential for the development of the Company.

Over the years, Master Kong has been committed to improving water efficiency and protecting precious water resources through various means. For example, we continue to improve the efficiency of wastewater treatment and recycling to relieve water pressure, and regard it as a long-term priority to improve the water production rate. The supply chain department of each line of business regularly conducts "water balance tests" to get acquainted with the water supply network and the current status of water use in various units, and checks water consumption, drainage, water production rate of water station and pipeline leakage, etc. We then determine the equilibrium relationship of water yield and the level of reasonable water use, to formulate corresponding management measures and to reduce water resource consumption.

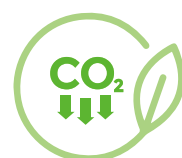
Master Kong's beverage business strictly implements the following protection measures for underground water sources:

- 1 Establishing a protection zone around the well and putting up reminders;
- 2 Applying for mining license when building the factory; planning the protection range of water source region following the Regulations on the Prevention and Control of Water Pollution, Regulations on Administration of Groundwater Resources and other local water resource protection plans; adopting a reasonable mining development and utilisation scheme, and strictly prohibiting excessive mining;
- 3 Setting up monitoring facilities on the water intake, engaging a professional organisation to conduct a third-party pre-evaluation of each well, setting a scientific water intake volume based on such evaluation data to avoid long-term water intake from a single well and ensure the conservation of groundwater sources.
- 4 Effectively collecting and treating sewage, avoiding natural water source pollution caused by arbitrary sewage discharge.

In 2020, all factories actively organised environmental protection training for employees, set water-conservation management objectives, and called on all employees to save water and protect water resources.



LOW CARBON AND EMISSION MANAGEMENT



Master Kong identifies and complies with related laws and regulations for waste and pollutant emission in where the Company operates, including the Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Integrated emission standard of air pollutants, Emission standard of air pollutants for boiler, Emission Standard for Odor Pollutants, Volatile Organic Compound Emission Control Standards for Industrial Enterprises and the Law of the People's Republic of China on the Prevention and Control on Environmental Protection by Solid Wastes. Master Kong formulates its internal emission management system in respect of wastewater, waste gas and solid waste, to clarify compliance requirements, standardize operation and disposal procedures, improve related equipment operation and maintenance levels, ensure stable operation of equipment, and achieve compliance emissions. Master Kong also engages a qualified professional organization to carry out regular emission monitoring for the compliance of various indicators. In respect of greenhouse gas emission management, we deeply understand stakeholders' attentions on Master Kong's greenhouse gas emission management. Through actively responding to the state and local policies, introducing and adopting advanced environmental protection technologies, replacing equipment with high energy consumption and high emission, implementing various technologies transformation and projects of emission reduction, and actively using renewable energies, the Company has successfully reduced its greenhouse gas emissions. In 2020, Master Kong's greenhouse gas emissions per ton of output declined approximately 2.8 kilograms, representing a decrease of 4.42%, as compared to 2019.

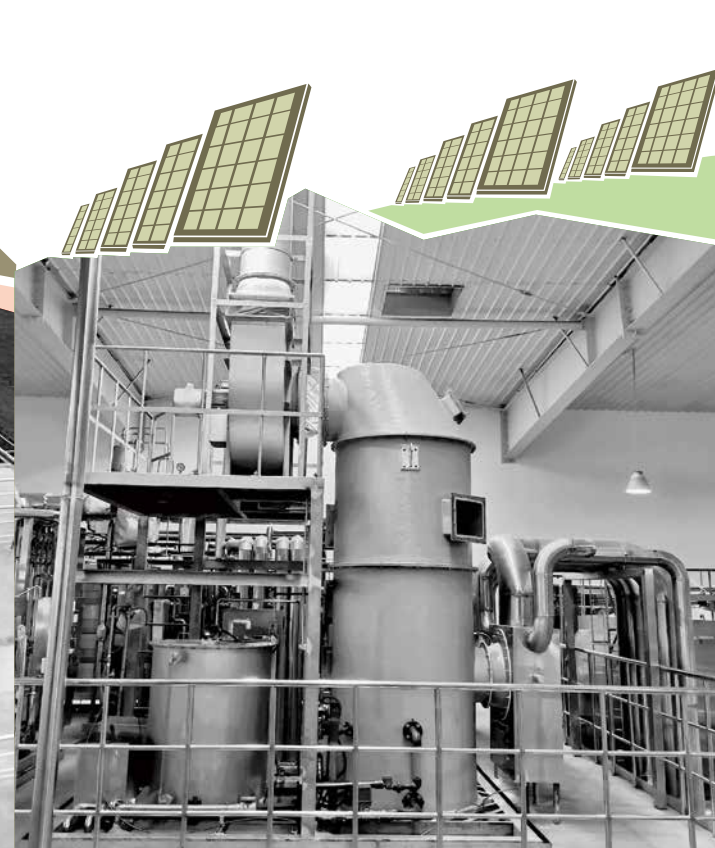
↓ 2.8 kilograms
4.42%

Master Kong's greenhouse gas emissions per ton of output declined approximately 2.8 kilograms, representing a decrease of 4.42%, as compared to 2019



Closed renovation of waste gas system of sewage station

The instant noodle business invested around RMB15 million to upgrade sewage treatment and waste gas equipment. The upgrade and replacement of all plant exhaust gas equipment have been completed in 2020. The upgraded exhaust gas equipment uses a closed collection biological treatment process to eliminate odorous gases.



Upgrading of waste gas treatment facility

Master Kong Beverage Plant in Hangzhou upgraded the acetic acid waste gas treatment facilities. By replacing the alkaline tower, circulating water pump, ancillary instruments, sensors and other accessories, the capacity of peracetic acid waste gas treatment has been enhanced, so as to ensure the compliance of exhaust emissions after treatment and improve the working environment of employees in the workshop.



Volatile Organic Compounds exhaust gas treatment systems

At Beijing factory of Pepsi beverage business, one set of Volatile Organic Compounds (VOC) exhaust gas treatment system was applied in the code-spraying and shrinking film process. The operation is on normal and remains stable. The removal rate during production process reaches 85%, with 3 tons non-methane hydrocarbons reduced annually.



Upgrading and reconstruction of exhaust gas outlet

More activated carbon filters were applied in the bakery business in 2020, to reduce the odour from organized discharge. After the exhaust gas is filtered and processed by the activated carbon filter, it is discharged from 10 20-meter high exhaust cylinders, and the emission concentration is in line with Standard of Smoke and Dust Emission for Industrial Kiln and Furnace (GB9078-1996).

REDUCE THE USE OF PACKAGING MATERIALS

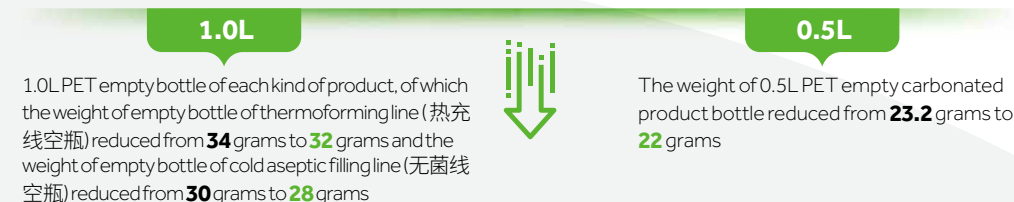


In order to implement sustainable development principles, Master Kong actively reduces the use and consumption of various packaging materials at all stages of the product life cycle to reduce its impact on the environment. In respect of the production and transportation of products, we formulate policies related to raw materials management. Through optimizing production processes, formulating special plastic and weight reduction plans based on the packaging characteristics of major products, analyzing the transfer process of the product and cargo, the Company reduced unnecessary packaging materials in the transportation. Some useful discarded packaging materials are gathered for recycling to improve utilization of discarded packaging materials.

In respect of product usage, Master Kong is well aware of the impact of discarded packaging materials on the environment and put efforts in plastic and weight reduction and optimization of packaging materials. In 2020, Master Kong's instant noodle business refined the transportation and collection process of producing raw materials. The flour and starch were no longer delivered in bags but delivered via tanker trucks. The tapioca and refined salt are packaged by bulk bags instead of bags with small capacity, which significantly reduces the consumption of packaging materials. The raw materials of sauce bag are delivered to the production plants in plastic baskets instead of cartons. The used plastic baskets are collected and cleaned for recycling, which reduces the use of cartons. The packaging method of biscuits products of bakery business is replaced from plastic bags to pallets, which reduces the use of plastic packaging materials. At the same time, each business puts efforts in the recycling of the packaging materials, and recycles the used cartons for product transportation.

In this year, both Master Kong beverage business and Pepsi beverage business reduced or optimize the use of packaging materials for some product items. Details are as follows:

MASTER KONG BEVERAGE BUSINESS



PEPSI BEVERAGE BUSINESS



The worker clothes and white gowns made of scrap PET bottles

Besides, in 2020, Pepsi beverage business and its partners carried out a PET recycling (R-PET) utilization research pilot project. The Beijing factory of Pepsi beverage used scrap PET to make worker clothes and white gowns. The Hangzhou plant of Master Kong beverage business also cooperated with Veolia Company (威立雅公司) to carry out the R-PET project to produce worker clothes and cloth fiber using scrap PET as raw materials. In 2021, we will continue to expand and promote R-PET projects in more factories.

DIGITAL PRODUCTION MANAGEMENT

Master Kong flexibly applies digital tools to all aspects of production and operation, continues to make innovation breakthroughs and technological upgrades, and improves production and operation efficiency through digital, intelligent, and automated methods, and gradually improves comprehensive management capabilities.

In 2020, Master Kong gradually promoted the Line View production line online monitoring and data collection system to monitor the status of the production line in real time, automatically calculated key KPI indicators, realized paperless reports and accurate data. Through the implementation of remote monitoring of the running status of the production line, it helped to improve production efficiency and reduce Production costs, and gradually realized unmanned production. In 2020, the Internal Control Department of the Operations Center assisted all businesses in canceling the printing of paper receipts for internal payment requests, which greatly conserves printing costs for all businesses and factories and implemented energy-saving and carbon-reduction by promoting paperless operations.

Master Kong promoted the Transportation Management System (TMS) project this year. By virtue of big data, artificial intelligence, cloud services and other scientific and technological forces, Master Kong established a digital logistics management platform

to achieve the unification of Master Kong's factory, carrier, and transportation driver system. Dispatching management, from the four dimensions of freight, efficiency, cost, and service, empowers the supply chain departments of businesses with digitalization, and realizes unified management and control of nearly a hundred factories across the country. The company coordinated with more than 100 transporters and more than 500 transporter business offices and achieved coordinated operation of 100,000 transport vehicles. Through modern park management modes such as appointments for pick-up and vehicles arriving at the factory to line up and calling numbers, the Company reduced the waste of manpower and resources in loading and unloading, and the occurrence of vehicle queuing congestion. At the same time, the logistics management platform can realize the full visualization of the vehicle trajectory, preventing and managing transportation abnormalities in advance, which records transportation data throughout the whole process, and provides real feedback on performance indicators such as supplier services and factory efficiency to promote the improvement of logistics service capabilities.



TACKLE CLIMATE CHANGE

Master Kong deeply understands that climate change is a major challenge the whole society is facing up and recognizes that actively responding to the impact of climate change is the foundation and guarantee for the long-term stable development of the company. We continue to deepen our understanding of climate change issues, proactively identify the potential impact of climate change on our operations, and actively consider and establish response measures for related climate change risks.

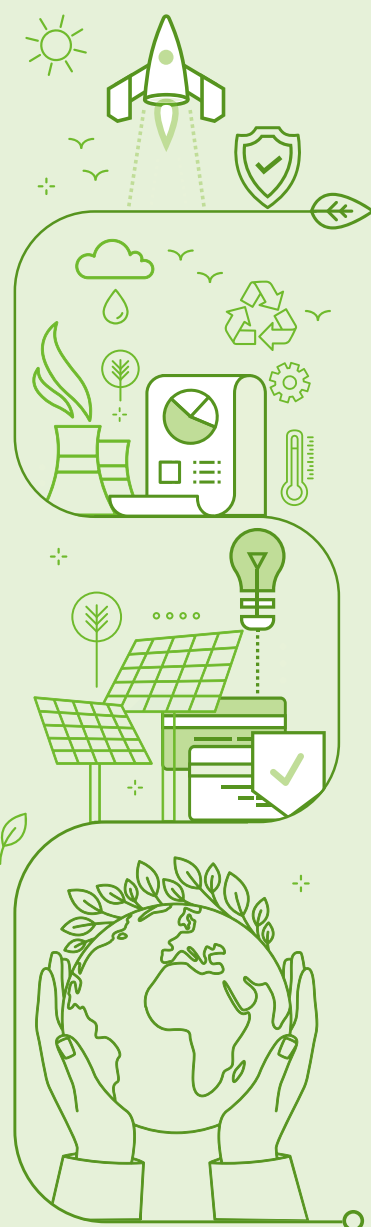
Affected by global climate change in recent years, extreme weather and natural disasters such as torrential rain, snow and typhoons may occur more frequently in certain areas, disrupting the normal operation of Master Kong's factory, affecting production stability and causing the company's property losses. Master Kong conducted a comprehensive analysis of the possibility of various natural disasters in the operating area, formulated the Special Emergency Plan for Natural Disaster Accidents, and standardized the handling measures and response methods when emergency situations occurred. Master Kong also organized training and drills on a regular basis, included the extreme weather in the insurance coverage to reasonably transfer risks, and provided guarantees for company's assets.

In terms of raw material supply, extreme weather may cause a decline in the output of agricultural products, which triggers price fluctuations of the company's raw materials and affect production costs. Master Kong actively carries out raw material price analysis, keeps close attention to factors that may affect price changes, and enters into contracts with suppliers to lock raw material prices in advance to control production costs. In addition, extreme weather may also have a short-term impact on the normal transportation of raw materials. The various raw materials required by Master Kong's production are widely produced in mainland China and even around the world. Therefore, we maintain long-term cooperation with many qualified suppliers at home and abroad. The extensive layout of suppliers can alleviate the supplier transportation interruption risk in local areas caused by extreme weather.

In 2020, we engaged a professional consulting agency to assist us in the preliminary analysis of the main climate change risks we face, studied good practices in the industry, and discussed solutions and improvement directions. In the future, Master Kong will closely follow and stress the risks of climate change and continue to improve its own response and management to climate change issues.

THE KEY ENVIRONMENTAL PERFORMANCE INDICATORS

The environmental key performance indicators for the year 2020 were listed below. Unless otherwise specified, the environmental data(1) scope covers the Shanghai Master Kong Headquarters and all domestic factories directly managed(2) by each business. Overseas offices are not included in the statistics due to their small operation scale. While in the future, we will collect and disclose their data timely, based on the actual situation.



Total greenhouse gas emission⁽³⁾ (Scope 1 and Scope 2) ⁽⁴⁾ (10,000 tonnes)	102.2
Greenhouse gas emission (Kg/tonne of output)	60.81
Comprehensive energy consumption⁽⁵⁾ (MWh)	5,664,172.5
Comprehensive energy consumption (KWh/tonne of output)	336.9
Electricity (MWh)	1,409,855.7
Electricity consumption (KWh/tonne of output)	83.9
Gasoline/diesel (MWh)	5,523.4
Natural gas/coal (MWh)	803,971.9
Steam purchased (MWh)	3,444,821.6
Total water consumption⁽⁶⁾ (m ³)	43,807,137.2
Water consumption (m ³ /tonne of output)	2.61
Use of product packaging materials⁽⁷⁾ (tonne)	1,147,554.3
Use of product packaging materials (Kg/tonne of output)	68.3
Total COD emissions⁽⁸⁾ (tonne)	252.7
Total hazardous waste (tonne)	649.1
Discharge of hazardous waste (Kg/tonne of output)	0.04
Total non-hazardous waste (tonne)	176,229.3
Discharge of non-hazardous waste (Kg/tonne of output)	10.5



(1) Based on the nature of Master Kong, in 2020, its major emissions are greenhouse gases, sulphur dioxide (SO₂) and nitrogen oxides (NO_x), which are mainly from the use of fossil fuel-converted electricity and fuels. As compared with 2019, the use of fossil fuels, including natural gas and coal, emissions of sulphur dioxide (SO₂) and nitrogen oxide (NO_x) were further decreased. Therefore, gaseous emissions were not disclosed due to minor impacts.



(2) The domestic factories directly managed by Master Kong include all the domestic instant noodle, Master Kong beverage, and bakery factories located inside the country, as well as all the domestic Pepsi beverage factories except the factories in Shanghai, Wuhan, Nanjing, Hangzhou, Shenyang, Tianjing, Fuzhou and Guilin.



(3) The scope of Master Kong's greenhouse gas calculation mainly covers carbon dioxide, methane, and nitrous oxide. Greenhouse gas emission data is presented in CO₂ equivalent and is calculated based on the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (revised edition in 2019).



(4) Scope 1: covering the greenhouse gas emissions directly generated by the Company's operations; Scope 2: "Indirect energy" greenhouse gas emissions resulted from the Company's internal consumption (electricity, either purchased or obtained); the gas emissions caused by "indirect energy" purchased heat will be calculated after the promulgation of the national unified calculation standard.



(5) Comprehensive energy consumption is calculated based on energy consumption (direct and indirect), according to the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008), the State Standard of the People's Republic of China.



(6) Water consumption refers to production water within the statistical scope together with employee's consumption of water in the office.



(7) Amount of product packaging materials is the sum of the total amount of packaging materials used by all Master Kong products.



(8) Total COD emission is the sum of COD emission of all factories within the statistical scope. It refers to the COD emission after the treatment of municipal sewage plant.

CARE FOR EMPLOYEES AND PROMOTE CULTURE AS ITS SOUL, ENDEAVORS TO BUILD “LIFE + DELICACY”

“

Every great company is the result of the continuous efforts contributed by generations of its people. Master Kong values the development of every employee and continues to build a full range of excellent talents with "diligence, integrity and ability". We are confident and keen on making Master Kong a respected enterprise through joint efforts with our people.

”

Deeply Develop Human Resources and
Create a Better Workplace 58

Protect the Health and Safety of Employees
and Create a Safe Workplace 59

Promote Growth and Development of
Employees and Create an Intelligent Workplace 60

Build Corporate Culture and Create a Better
Workplace 62



DEEPLY DEVELOP HUMAN RESOURCES AND CREATE A BETTER WORKPLACE



Master Kong strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law on the Protection of Women's Rights, the Law on the Protection of Minors, the Law of the People's Republic of China on the Protection of the Disabled, the Regulation on the Employment of the Disabled, the Provisions on the Prohibition of Using Child Labour and other relevant laws and regulations. We have formulated rules and regulations such as the Recruitment Measures, the Appointment Procedures, Resign Management Measures, and Reward and Punishment Management Measures for Employees according to applicable laws and regulations, so as to ensure employment is carried out in accordance with relevant rules and regulations and protect the legitimate rights and interests of employees. The Company adopts equal employment policy to avoid employment discrimination of any forms. We have a recruitment, development and promotion system in place regardless of gender, nationality and religion. Meanwhile, the Company also recruits a certain proportion of disabled employees with equal salary and benefits. We oppose any forms of forced labor and child labor and any occurrence of such cases is strictly prohibited within the Company.

In accordance with the Labour Law of the People's Republic of China, the working hours and vacations for employees are stipulated in the labour contracts with our employees, so that to make standardized management of employees' vacations. Employees are entitled to paid annual leave, personal leave, sick leave, marriage leave, funeral leave, maternity leave, paternity leave and breastfeeding leave, and they can apply for leaves according to the corresponding leave time and subject to relevant approval authority.

Master Kong has put in place a management system for salary, performance, and year-end bonus. In addition to paying the full amount of "five social insurances and one housing fund" for employees in accordance with national laws and regulations, all businesses adopt diverse incentive measures such as monthly, quarterly, and annual bonus for outstanding employees in light of their job specifics and performance, and provides employees with wedding, funeral, sick leave and additional subsidies for high/low temperature, heating, etc. In addition, we also provide our employees with soft benefits such as travel, birthday benefits, and health check-ups. Despite the unfavorable economic environment affected by the pandemic, the Company still provides bonuses to employees to ensure their income levels.

DIGITAL-BASED HR MANAGEMENT



In a rapidly evolving and volatile market environment, enterprises are required to improve operational efficiency to cope with changes and challenges. In this year, Master Kong was granted the IDC digital transformation award of "Future Work Leaders" for its Boundless Sharing Empowers HR Digital Transformation Project of Master Kong. Master Kong has used the complete salary outsourcing service, which liberates HR from transactional work, so that they could focus on human resource strategy and value-added services. Hence, it has accelerated our digital HR transformation in an all-round way, and comprehensively helped upgrade our management and operation system.

In order to better promote HR work efficiency and enhance employee experience, we have built an intelligent HR system

which integrates BI reporting, management cockpit and self-service analysis, opens up multiple data sources such as human resources, finance, and sales, establishes a data model suitable for intelligent analysis and presentation, realizes data view management, multi-dimensional report design, intelligent analysis report design, management cockpit and other functions as well as real-time display of data through the mobile terminal. With a view to enhance the experience of new employees and realize the mobilization of production, management, collaboration, and operations, we launched a pre-employment mini program to build a fast, low-cost, and high-quality mobile application platform for new employees, department heads, and human resources. In addition, in

PROTECT THE HEALTH AND SAFETY OF EMPLOYEES AND CREATE A SAFE WORKPLACE



Master Kong attaches constant attention to provide employees with a healthy and safe working environment and strives to effectively protect the health and safety of employees from the aspects of prevention, management and control and fulfillment of responsibilities. We strictly abide by the Work Safety Law of the People's Republic of China, The Law on Prevention and Control of Occupational Disease of the People's Republic of China, and The Fire Protection Law of the People's Republic of China and other PRC laws and regulations, and introduces a series of internal management measures and contingent plans to carry out multi-dimensional and comprehensive safety management and control from aspects such as production, construction and quality management, thereby effectively safeguarding the health and safety of employees. The Company provides complete protective equipment, such as eye masks, chemical protective gloves, earplugs and safety work clothes for front-line employees facing occupational disease risks or high safety risks, effectively reducing the impact of special workplaces and environments on employees' health. In addition, we organize health checkups for employees every year, and regularly arrange safety guidance and training, and actively organize fire safety and fire equipment drills to improve employees' fire safety awareness and self-protection capabilities. New employees are required to receive safety training before they can start production operations. Meanwhile, at all factories, environment, health and safety (EHS) related requirements and arrangements are well followed and implemented. Besides, Master Kong will continue to put forth in-depth EHS management activities and strictly undertake annual EHS audit. We also have an EHS officer to provide ongoing safety education, conduct regular EHS skill training and competition, so as to keep increasing the safe production awareness among employees.



order to streamline the personnel workflow and operation, we promote the operation of the personnel workflow, so that employee contracts and file management are centralized on the OA (Office Automation) platform.

Master Kong was granted the IDC digital transformation award of "Future Work Leaders"

PROMOTE GROWTH AND DEVELOPMENT OF EMPLOYEES AND CREATE AN INTELLIGENT WORKPLACE



Master Kong attaches great importance to the development of each employee. In order to better develop all-round outstanding talents with "Diligence, Integrity and Ability", the Company arranges customized and diversified courses for employees at different levels. We provide employees with a variety of trainings such as general training on corporate culture, training on professional knowledge and skill improvement and training on management based on their job level, career development stage, and functional positions.

In 2020, the Company introduced a variety of training sessions and projects, with an accumulated training time of more than 6.4506 million hours and an average of 113.67 hours of training per person. In order to ensure each employee has access to and learn from the training video clips delivered by the Company in an easier and more effective way, and to cater to the fragmented learning needs of the new generation of employees, this year we continued to deepen the online learning model and enrich the "WEME Online Academy" and "E-learning" and other mobile learning resources, and updated the content of the courses in time to ensure that employees can improve their knowledge reserves and professional skills.

In 2020, based on industry trends and functional requirements, Master Kong continued to carry out in-depth cooperation with external companies and consulting agencies, and established long-term partnerships with a number of well-known domestic and foreign companies and consulting companies such as HPO, REC, Carnegie and Center, and provided forward-looking and scientific knowledge and skills to employees.

All business sections carry out trainings as planned for on-job department level, reserve management level and on-job management level to strengthen management skills of middle-level supervisors and enhance internal organizational skills. M series of on-job reserve management ability improvement training courses adopt a method combining centralized planning with hierarchical and grading training. The entire stepped system is divided into nine levels from M0 to M8. M0-M4 is converted to online teaching through the China Europe International Business School Online Partner Learning Platform (CEIBS Platform), and M5-M8 is designed for offline teaching. We have designed highly targeted courses for each level. From the self-management of grass-roots employees, to the management of others by middle-level cadres, and then to the management of the whole team by high-level cadres, we have achieved stepped improvement and reinforcement. Meanwhile, targeted offline reinforcement courses are added to supplement the lack of practical operations in online training. At the same time, G series of general education courses tailored for all staff are also being promoted through CEIBS Platform.

Over
6.4506 million hours

2020 Total training hours

113.67 hours

Average training hours per person

- ① Quarterly professional skills training for business functions
- ② Staff outdoor development training
- ③ National HR trainer special training
- ④ Carnegie people skill series training courses



BUILD CORPORATE CULTURE AND CREATE A BETTER WORKPLACE



The construction of corporate culture for Master Kong's business operations, which can be analyzed with the atmosphere surrounding the surface of the earth, is the basic condition for Master Kong's existence. Cultural construction is the core and ideological guarantee, while business operation is the behavior and material basis, both of which are aimed to jointly ensure the sustainable operation of the corporate. In 2020, in order to carry out top-down ideological promotion and penetration, Master Kong established a cultural construction committee, to continue to improve the cultural construction system gradually and pragmatically to ensure effectiveness.

The recognition and integration of all Master Kong people to its corporate values is the cornerstone of Master Kong's sustainable development, while newcomers and leading cadres are the top priority of the cultural construction learning system. The content and cases of corporate culture and values are deepened in the new employee training to make them know, accept and recognize the Company's core values and quickly integrate into Master Kong's organizational process. In 2020, the headquarter and all businesses carried out 662 sessions of corporate culture theme trainings for newcomers with a total of 676 hours. The inheritance of corporate values and culture by Master Kong's cadres is the key to cultural construction. The Cultural Construction Secretariat first tried to use both positive and negative cases in respect of "ethical conduct, teamwork, and professional attitude" experienced by cadres in the manager-level training, to make the on-site cadres deeply feel the profound corporate culture and behavior standards accumulated by Master Kong in the past 28 years. In the future, the cultural construction learning system will continue to be improved, and the culture will be continuously emphasized and inherited to ensure that management cadres and employees at all levels have consistent understanding of culture and can effectively practice it.

662 sessions
676 hours

the headquarter and all businesses carried out 662 sessions of corporate culture theme trainings for newcomers with a total of 676 hours



Master Kong's corporate culture construction that advances with the times



The 2020 Master Kong People's Practice of Cultural Behavior Model Commendation Conference was held in Shanghai.

2020 is an extraordinary year. Through the efforts of every Master Kong people, we provided material support for medical institutions and front-line anti-pandemic personnel on the premise of ensuring the safety of pandemic prevention, food safety, and ensuring the resumption of work and production. In order to meet the needs of consumers, Master Kong employees took the initiative to stick to their jobs, combining internal collaboration with external win-win cooperation, which made them gain consumers' recognition and trust as well as social respect. In order to promote the concept of "Positive thoughts bring positive energy, positive energy brings transformation and upgrading power", all Master Kong people should learn from a benchmark, set an example and have a direction for action. The Cultural and Construction Secretariat publicly solicited Master Kong people's exemplary deeds of cultural behavior during the pandemic and adopted the method of supervisor recommendation, collective review and public announcement for the first time. A total of 230 employees were awarded the model of cultural behavior and awarded medals of honor and honor certificates. In December 2020, we held the 2020 Master Kong People's Model of Cultural Behavior Commendation Conference, invited 11 outstanding model representatives to accept the commendation, and among which 6 representatives presenting their personal deeds on the spot. Executive Director Wei Hong-Chen and the Company's senior management and 48 supervisors of the Construction Executive Committee attended to jointly witness this event. The video of this commendation meeting and exemplary deeds were disseminated on the factory closed-circuit television, WEME Online Academy, corporate WeChat and other platforms, and a total of 57,259 people clicked and watched, reflecting good communication effects were achieved.

230 230 employees

A total of 230 employees were awarded the model of cultural behavior

Adhering to the spiritual culture of serving the frontline, the cultural construction promotion committees of all businesses integrated the business operation in an orderly manner and held a total of 708 sessions of self-promotion of cultural practice this year. The instant noodle business carried out various activities including the selection and broadcast of food safety excellent figures, the "Quality Aerospace for Better Life" aerospace theme solicitation, the fight against the pandemic with one heart and the model workers around me, etc., to practice the cultural concept into the behavior of employees, drive family and friends to experience Master Kong's integrity and pragmatic concept, hold a scientific and rigorous attitude to achieve aerospace quality products, and integrate harmony into team operations, thereby creating a new era of mutual prosperity and win-win results. Pepsi Beverage Business inherited its "Glory" and has been advocating the "Glory" spirit for five consecutive years, integrating performance and win-win culture into our employees' daily life. Master Kong's beverage business and bakery business focused on selecting first-line counterparts' practicing corporate cultural behavior cases and carrying out monthly reports and quarterly broadcast. All businesses have collected a total of 331 cases and has publicized and broadcasted 106 cases. The above efforts have effectively improved the front-line employees' recognition of corporate cultural behaviors. Every great company is the result of the continuous efforts contributed by generations of its people. We are confident and keen on making Master Kong a respected enterprise through joint efforts with our people.

708 sessions

held a total of 708 sessions of self-promotion of cultural practice this year

SHOULDER FOR RESPONSIBILITIES, DONATE FOR CHARITY AND SHARE "LIFE + DELICACY"

“

As one of the leading national brands, Master Kong has put forward the development model of "Doing well by doing good". Aligning with this model, we are committed to exploring innovative solutions to popularize food safety science, participating in various public welfare activities, carrying out emergency relief and education projects, helping agricultural development, and taking up social responsibility for building a better tomorrow filled with kindnesses.

”

Key Performance Indicators of Community Investment	66
Promotion and Dissemination of the Concept of Sustainable Development	67
Food Safety Science Popularization	68
Education on Water	70
Sports Charity Events	72
Focus on Social Services	74
Immediate Aid	74
Education Projects	74
Support for Agricultural Development	76
Reinforced School-Enterprise Cooperation	77





KEY PERFORMANCE INDICATORS OF COMMUNITY INVESTMENT

Master Kong continues to be committed to the sustainable development of the Company, constantly pays attention to community needs and actively contributes to community development to achieve the synergic development between the Company and the majority of stakeholders. In 2020, Master Kong continued to carry out community investment activities, actively promoted the concept of sustainable development, carried out public service activities in respect of food safety science popularization and education on water, supported sports events, focused on social services and provided support for the development of agriculture, rural areas and farmers. Meanwhile, the Company continued to reinforce college-enterprise cooperation and help promote the development of education, which was well recognized by all sectors of the society. We are willing to constantly share the joy brought by "Life + Delicacy" with all partners.

Approx. RMB **72** million
Community investment in 2020

Approx. **294,000** hours
Hours contributed by employee volunteers in 2020



PROMOTION AND DISSEMINATION OF THE CONCEPT OF SUSTAINABLE DEVELOPMENT

In July 2020, the United Nations Development Programme (UNDP) released the Private Sector Awareness of the Sustainable Development Goals - A Survey Report on Business and Sustainability in China. The report provides comprehensive summarization and analysis on the implementation of Sustainable Development Goals (SDGs) by Chinese enterprises. Relying on its outstanding achievements in promoting sustainable development, Master Kong has stood out among nearly 100 invited companies (including foreign companies in China) and has become the best representative of the global sustainable development goals keepers. In September, we were invited to participate in the 2020 China International Fair for Trade in Services (CIFTIS) and attended the seminar to interpret the UNDP report as the main guest, and discussed with the leaders of UNDP and representatives of relevant enterprises on the direction and actions for the implementation of SDGs by Chinese enterprises and made interpretations. The theme of CIFTIS is global service, mutual benefit and sharing. Master Kong's sharing of the basic points of food safety and the construction of global partners at this event, driving the sustainable development of the upstream and downstream industrial chain and interpreted the service trade fair theme from different perspectives.

As one of the leading companies of national brands, Master Kong proposed the development model of "Doing well by doing good" and worked hard to widely spread and promote the concept of sustainable development of "Doing well by doing good", and cooperated with various partners to jointly advocate the "Doing well by doing good" sustainable development actions. In September 2020, with the support of the National Brand Project of Xinhua News Agency, Master Kong initiated and organized the "Doing well by doing good - Sustainable Development Online Forum" event, this event was led by the Public Relations Department of Master Kong, all business departments including external consultants were actively involved in it. During the event, experts, scholars, and business representatives from well-known domestic universities and leading companies in various industries discussed how to implement sustainable development in business community and promote the concept and model of "Doing well by doing good". Master Kong's concept of "Doing well by doing good" received full support and response from representatives of many participating companies, which expressed their willingness to practice various measures together to effectively promote the sustainable development of the Company and society.



实践现状 未来机遇 潜在挑战

4.7 搭建伙伴关系能有效推动可持续发展进程

值得一提的是，目标 17：全球伙伴关系在当下与未来业务重要目标排序中均位列第六，是唯一企业在五年内重视程度变化稳定的高关注度目标。伙伴关系不仅意味着国内外稳定的商业环境，还包含产业链上下游伙伴之间的相互协作。全球层面，商业企业通过加强在科学、技术和领域的国际合作，能够有效拉高行业标准与实践水平，促进全行业进步。



目标 17：全球伙伴关系
该目标在现状与未来优先级排序中均位列第六

发展目标的复杂性和相关性意味着需要所有行动方参与，通过积极合作和知识分享来支持和推动目标下相关项目的实现。

在“双循环”新发展格局下，商业部门应当统筹兼顾，建立更多元的伙伴关系，如：价值链合作伙伴、上下游不同企业通过技术交流、资源互补，识别新商业模式与合作机会，在全球范围内推动行业进步。行业领袖企业也能够领导整个行业进行行业标准的实践和倡导。



实践案例

康师傅 缔结伙伴关系，共享领先食安技术

在搭建可持续全球供应链的过程中，康师傅重视与发展中国家供应商建立互惠共赢的伙伴关系。每年定期派出专业辅导小组为马来西亚、印度尼西亚的胡椒农户讲授质量管理经验，不仅提高农业管理水平，也拉动了当地经济收入。此外，还协助巴西橙汁供应商开发橙汁的衍生产品、交流食品安全控制技术，该巴西橙汁供应商的橙汁产品全部获得雨林联盟认证（Rainforest Alliance）。

为提升行业整体食品安全管控水平，康师傅主动分享相关的知识与经验，并开放自己的技术平台鼓励上下游企业参与学习交流。康师傅重视与科研技术单位广泛合作，通过联合研发创新实践，探索食品安全举措与技术。

Master Kong was selected as SDGs practice case.

可持续发展在线论坛



支持单位：新华社民族品牌工程办公室

发起方：康师傅控股有限公司

"Sustainable Development Online Forum" was successfully held.

FOOD SAFETY SCIENCE POPULARIZATION

AEROSPACE + FOOD SAFETY

Master Kong actively responds to the national food safety strategy, gathers all forces, constantly explores food safety education, and is committed to promote food safety awareness and knowledge to society to achieve a food safety compliance society via food safety science popularization.

Served as a long-term partner in China's aerospace industry, Master Kong is committed to building a comprehensive knowledge system, education system and application system that integrates "aerospace + food safety" to improve the aerospace knowledge and food safety literacy of the public, especially teenagers. Master Kong constantly carried out the "A Tour Across China for Space Exploration Spirit Promote - Master Kong Food Safety Science Exhibition" within the year. On the event spot, children can observe the spacecraft, assemble satellites by themselves, and experience space travel via VR technology, learning about aerospace and food safety knowledge in a fun way. Meanwhile, Master Kong invited astronauts and experienced teachers in aerospace science to deliver lectures on aerospace science, and teachers managed to unlock the aerospace knowledge by applying popular food science. As of the end of 2020, Master Kong's series events of aerospace science had been held in more than 20 cities, covering over 100

schools and affecting more than 100 million people.

In 2020, we also continued to explore innovative ways of science popularisation. Relying on 5G networks, we set up "Cloud Classrooms" and "Cloud Science Popularisation Exhibition", integrating offline and online content, breaking spatial and geographical restrictions, to benefit teenagers in different regions, and effectively promote the balanced development of science popularisation education.

In 2020, the State Administration of Market Supervision and other four ministries jointly issued the Campus Food Safety Guarding Action Plan (2020-2022), requiring the strengthening of food safety and nutrition education in primary and secondary schools. In response to the call of the national policy and to help the school food safety science education, Master Kong joined hands with China Economic Net and the "China Food Safety 30 People Forum" to launch the "Food Safety Science Popularization Program" in 2020. The activity is based on the theme of "interest-based science popularisation of food safety for the public", through various activities such as open classes on food safety in primary and secondary schools, online fun science popularization answering contests, parent-child practice tours, etc., to strengthen campus food safety pass on healthy and nutritious food knowledge, and enhance teenagers' food safety awareness.



Chuangdong Zhao, one of the first batch of astronauts in China, was giving a science popularization lecture for teenagers.



Children were taking online courses of Master Kong Space Gastronomy.



A young space fan made explanation at the aerospace science popularization exhibition in Wuhan

Centered Province, Started the Dream of Space

The successful launch of the core module of China's space station has triggered a "National Space Boom" and ushered in a "New Space Era" for China. At this milestone moment, Master Kong cooperated with China Aerospace Foundation. CEO of Master Kong, Chairman of China Aerospace Foundation, Secretary of the Party Committee and curator of Wuhan Science and Technology Museum, attended the opening ceremony of Wuhan Aerospace Science Popularization Exhibition to pay tribute to China aerospace industry and aerospace people.

This space science popularization activity, not only has space dream experience camp, space model exhibition area and other classic exhibition items, Master Kong specially brought "Space Station" exhibition and "Moon Exploration Area", but also set up a "Star Noodle Restaurant" for visitors, so that the visitors have a chance to taste the same product of "Space Noodles" during the exhibition.

Chen Yingrang, CEO of Master Kong, said: "In the future, we will continue to adhere to the 'All for the Customer' concept, with 'Life + Delicacy' as the direction, dedicated to apply the aerospace science and technology into innovative research and development of our products, and promote the Chinese food culture. For the name of the Master Kong, "Kong" represents the health, and "Master" refers to the creator of delicious food, we will continue to carry forward the spirit of "Chinese strive to success", to serve consumers with more healthy and delicious products."



6 years

The "Education on Water" public welfare activities

10 cities

20

More than 20 schools

EDUCATION ON WATER



Master Kong has actively responded to the "Education on Water" public welfare activities initiated by the China Beverage Industry Association for six consecutive years, helping primary school students to form good drinking and water consumption habits and being an active practitioner and disseminator of the concept of "learning water, valuing water, and conserving water". Answering the call of China Beverage Industry Association, Master Kong has successfully promoted education on water to more than 20 schools in 10 cities across the country, with thousands of students participating. After 6 years of unremitting efforts, Master Kong was authorised to use the "Education on Water" brand, officially took over the promotion of public welfare activities, and opened a new chapter in the branding of "Education on Water".

To encourage students to participate in the activities and enjoy the games, Master Kong, adhering to the "interest-based science popularisation" concept, set up an immersive and interactive classroom for children. This year, according to the characteristics of each city, several projects including water purification experiments and water-saving classrooms were especially designed for this event to further guide children to increase their awareness of water conservation and

“
knowing
loving
and saving water
”

protection develop rational habit in water consumption, and become a "green" devotee to promote the conservation of water resources in the future.

In addition, Master Kong, riding the wave of online courses, launched the online "Education on Water" brand this year. We created the content for the entry "Education on Water" on Baidupedia, enriching its definition, which conveyed the construction concept and implementation process of public welfare programs, and realised the re-dissemination of "Education on Water" event. In the future, Master Kong will make online education the development focus of "Education on Water". It plans to launch animated courses and cooperate with new media platforms to move onto online, using the power of the Internet to further convey the concept of "knowing, loving and saving water".

SPORTS CHARITY EVENTS



For Master Kong, paying attention to and supporting the development of China's sports sector is an important measure to promote "Health in China". The Outline for Building a Powerful Sports Country issued by the State Council clearly points out that it is necessary to give full play to the important role of sports in the new journey of building a modern socialist country in an all-round way. For Master Kong, supporting the development of China's sports business has always been our duty and responsibility as a national brand enterprise. We deeply understand that building a powerful sports country is not only at the level of competitive sports for the national team but is also indispensable to promote popular sports and achieve national fitness. We strive to convey the healthy concept of "balance between food and exercise" to the public, support all kinds of public sports events, and hope that more people have a healthy body.

Served as sport catering collaborative partner of marathon, Master Kong has been keen on supporting marathon games nationwide for years. We promote a scientific approach to serve catering, that we particularly focus on runners, and ensure that they are provided with sufficient energy for the event. As of 2020, Master Kong has reached cooperation with more than ten domestic marathons, covering millions of participants. Master Kong's "a bowl of noodles after the race" has become a standard for many marathon runners. In the future, Master Kong will continue to support Marathon events with safe and reliable sports catering services. In 2020, we also supported many badminton events across the country, and established cooperative relationships with badminton associations and large-scale badminton events in Guangzhou, Shanghai, Beijing, Henan and other places to promote the sustained, healthy and orderly development of badminton in various regions.

CONTRIBUTE TO THE "MAYOR CUP" BADMINTON SERIES COMPETITION

The 14th Guangzhou "Mayor Cup" Badminton Series Competition is the largest and most influential badminton series competition in Guangzhou, with over 36,000 participants. The male and female-mixed team competitions kicked off in October 2020.

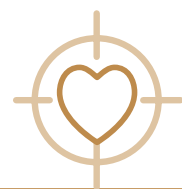
Master Kong established a partnership with the competition in a timely manner, combined its own product advantages with the characteristics and needs of the competition, assisted in the communication of venue entry, brand deployment, delivery of vending machines, etc., and took advantage of this opportunity to promote the development of "Gatorade" brand. "Gatorade" won the honorary title of "officially designated sports drink" for the 14th "Mayor Cup" Badminton Series Competition in 2020.

"Gatorade"
won the honorary title of "officially designated sports drink" for the 14th "Mayor Cup" Badminton Series Competition in 2020



2020年广州市第十四届
万达体育羽毛球系列大赛 市长杯

FOCUS ON SOCIAL SERVICES



Master Kong is convinced that the development of an enterprise is closely related to the overwhelmingly support from the society. The Company strives to serve with its best endeavour to those in need across a broad spectrum within community and does its best to offer care via charitable undertakings.

In 2020, Master Kong conducted condolence visits to nursing homes, kindergartens, schools, police stations, military units and remote areas. We also actively delivered care and warmth to the front-line workers under adverse working environment across the country, such as traffic policemen and sanitation workers, through various means and campaigns including "cool and refreshing stations" and "warm winter campaigns". At the same time, Master Kong pays a lot of attention to the growth and development of the youth, it organized charitable events for disabled and autistic children, providing warmth and support to children.

IMMEDIATE AID

As a member of an excellent state enterprise, after enduring years of learning through disaster experiences, Master Kong has established a system of rapid response for disaster relief. When a disaster happens, Master Kong will swiftly show on the front line at the scene of catastrophe, coming into the immediate aid of the victims. In June 2020, a major flood occurred in Qijiang District, Chongqing, the Qihe River surrounding areas were severely affected, and some houses collapsed, landslides happened, and roads were interrupted. Master Kong sent care to the affected communities, firemen, and sanitation workers, and provided drinking water and other material support. In July, affected by heavy rainfall, the flood control situation in Hubei and Jiangxi provinces was severe. Master Kong promptly organized the donation of Master Kong instant noodles and drinking water to the flood-stricken areas to provide supplies for the victims and rescuers; in August, due to continuous downpours, Leshan, Sichuan suffered extreme floods, and many places were severely affected. Faced with the severe disaster, Master Kong responded quickly, sending condolences to affected areas in time and donating mineral water products.

Master Kong actively responds to the call for national targeted poverty alleviation, and does a good job in helping the country resolutely win the decisive battle against poverty. In January 2020, Master Kong and China Glory Cause Foundation jointly donated a total of 20,000 boxes of instant noodles to impoverished people in Liangshan Yi Autonomous Prefecture, Sichuan Province and Zhijin County, Guizhou Province; in September, we implemented the sustainable development concept of "Doing well by doing good" and headed for Yongxing Town, Li County, Gansu to carry out paired assistance and donate mineral water products.

EDUCATION PROJECTS

In 2020, Master Kong supported the establishment of the "Tomorrow Zhaoyang Scholarship" to provide scholarships for college students with excellent academic performance, poor family background and moral integrity. Since 2007, the Company has sponsored 4,305 college students and awarded a total of RMB16.26 million in scholarships. The project has benefited students from all over the country. 2020 is the final year of our country's poverty alleviation. Master Kong strives to support the increase in bonus studies, benefiting a total of 546 students.

4,305
16.26 million

Since 2007, the Company has sponsored 4,305 college students and awarded a total of RMB16.26 million in scholarships



We Protect Those Who Protects the City

As the weather and temperature continue to rise since the summer, outdoor labourers work in the open air, which consumes a lot of physical energy. In order to effectively protect the frontline workers from heatstroke, salute and care for the frontline workers in the high-temperature environment, Anhui sales company of Master Kong's beverage business carried out the public welfare activity of "Cool in Summer". More than 20,000 frontline production workers enjoyed the welfare benefits brought by Master Kong when they withstood the test of the sweltering heat.

SUPPORT FOR AGRICULTURAL DEVELOPMENT

As a leading enterprise in the field of deep processing of agricultural products, Master Kong actively responds to the national initiative on targeted poverty alleviation, by taking advantage of food manufacture industry, so as to enable higher earnings for farmers. Every year, Master Kong purchases several millions of tones of bulk agricultural products, benefiting more than 40 million farmers.

Master Kong explored a new model to support agriculture and poverty alleviation and established the "Eco-friendly Vegetable Base" in Kongba Noel, Kangbao County in Hebei Province. Master Kong worked together with universities to undertake research on the "Active Crop Protection System". The research project spans over 4 years and makes achievements based on the investigation on the local environment and leveraging Master Kong's proprietary technology and scale advantages. It also creates an updated industrial chain model featured, "Enterprise + Vegetable Base + Farmers". We help local farmers set up a new ecological agriculture by educating farmers in planting, strictly controlling product quality with appropriate testing and monitoring measures. The "Eco-friendly Vegetable Base" project at Kongba Noel brings scientific control, advanced technology and innovative ideas into the production practice of farmers, actively promoted the upgrading of agricultural technology, enhanced the competitiveness in market nationwide, and effectively ensured farmers' income and their employment opportunities. The project has been recognized and praised by all related parties.

In addition, Master Kong attaches great importance to establishing mutually beneficial and win-win partnerships with suppliers and farmers in developing countries. Every year, we regularly send professional guidance teams to impart quality management experience to pepper farmers in Malaysia and Indonesia, which not only improves the level of agricultural management, but also increases the local economic income. Moreover, it also assists Brazilian orange juice suppliers in developing orange juice derivatives and exchanging food safety control technologies, and all relevant orange juice products are certified by the Rainforest Alliance.

>40 million

Every year, Master Kong purchases several millions of tones of bulk agricultural products, benefiting more than 40 million farmers

Vegetable harvest at Kongba Noel Eco-friendly Vegetable Base



▲ Students from Yuanpei College of Peking University visited Master Kong

▶ Unveiling ceremony of the Master Kong Hall of Yuanpei College of Peking University

▲ Launching ceremony of Master Kong, JD.com, and the Wharton School of the University of Pennsylvania's three-party big data joint construction project

REINFORCED SCHOOL-ENTERPRISE COOPERATION

32 colleges

51 vocational schools

that it joined hands with 32 colleges and 51 vocational schools nationwide to commence on intensified cooperation

Master Kong resolutely carried out the policy of "production- education integration" of the 19th National Congress of the Communist Party of China that it joined hands with 32 colleges and 51 vocational schools nationwide to commence on intensified cooperation, conduct research on food safety-related topics, support innovative research outcome and core technology Industrialization, explore the model of "deepen the integration between industry and education, and cultivate students and talents together". In terms of vocational education, Master Kong continues to explore new ideas and new methods for school-enterprise cooperation to support student training and employment and establishes a dual-subject long-term education mechanism. It was successfully selected as the third batch of modern apprenticeship pilot projects by the Ministry of Education and won various honors such as Liaoning Province Industry- Education Integration Enterprise Certification, Jiangsu Province Technical Education School-Enterprise Cooperation Industry- Education Integration Demonstration Enterprise.

This year, Master Kong continued to deepen the cooperation with Yuanpei College of Peking University. With our continuous support, the Kant Lecture Hall of Yuanpei College was successfully completed, marking the gradual expansion of the comprehensive cooperation between Master Kong and Peking University from teaching and research to broader areas such as academic exchanges and infrastructure. In August, teachers and students of Yuanpei College of Peking University came to Master Kong's headquarter in Shanghai to carry out summer social practice activities. Through visits to retail markets, visits to food safety centers and brand halls, discussions with executives and front-line sales staff of the Company, they gained insights into the challenges and opportunities of traditional and new retail, bringing innovative perspectives to the Company. Yuanpei's "Master Kong Social Practice Team" won the Peking University competition for two

consecutive years. Master Kong supports the Peking University Medical Department to use the big data of health care to explore research in food development and other aspects to promote the Company in the precise research and development of new nutrition and health products, forming "education plus industry to jointly serve the country; scientific research plus application to extend the smart chain; medical plus nutrition to make people healthier" to jointly contribute to the construction of a healthy China.

This year, Master Kong reached a strategic cooperation with the world's top-ranked Stanford University School of Design (D. School) to introduce the methodology of the innovative course Design Thinking into the training courses and improve the Group's internal organizational strength and the internationalization of leaders.

At the end of 2020, Master Kong, JD.com, and the Wharton School of the University of Pennsylvania's three-party big data joint construction project started. The three parties gave full play to their respective advantages, deepened the integration of the digital economy with the real economy and used big data and artificial intelligence technology to innovate the business management model, drive the development of the industrial chain and better meet the needs of consumers. During the process of digital transformation, Master Kong learns and draws on the advanced concepts and practices of statistics and data analysis from the world-renowned Wharton School, and cooperates with the Wharton School to connect with e-commerce platforms such as JD.com, and supports students to hold data competition activities to improve students' understanding and application level of big data and artificial intelligence technology.

APPENDIX 1 | HONOURS AND AWARDS

Serial No.	Awards
1	China Food Enterprises Benchmarking Golden Award 2020 
2	Top 10 Safety Management Enterprise Award of the 18th China Food Safety Conference 
3	Outstanding Chinese Enterprise in Corporate Social Responsibility (CSR) 2020 
4	Socially Responsible Enterprise Of "Catering Industry Helps with Nation Fight the Pandemic" 
5	Outstanding Water-saving Enterprise in China's Beverage Industry 2020 
6	Outstanding Energy-saving Enterprise in China's Beverage Industry 2020 
7	Best Instant Food Innovation Grand Award 2019-2020 
8	Most Popular Instant Food Award 2020 
9	The 11th Tiger Roar Award Food Excellence Award 
10	Best Marketing Effect Award of the 11th Golden Mouse Digital Marketing Competition 
11	Silver Prize in the Digital Media Integration Category of the 11th Golden Mouse Digital Marketing Competition 
12	Bronze Prize Of the 13th ROI Festival Media Group 
13	Bronze Prize of the 20th IAI International Advertising Cross-Border Marketing 

APPENDIX 2 | INDEX TABLE OF GRI STANDARDS

Disclosure Items	Disclosure Position
102-1 Name of the organisation	About the Master Kong
102-2 Activities, brands, products, and services	About the Master Kong
102-3 Location of headquarters	About the Master Kong
102-4 Location of operations	About the Master Kong
102-5 Ownership and legal form	-
102-6 Markets served	About the Master Kong
102-7 Scale of the organization	-
1. Organisational profile	
102-8 Information on employees and other workers	Care for Employees and Promote Culture as Its Soul Endeavors to Share a "Life + Delicacy"
102-9 Supply chain	Food Safety Trackability Management;
102-10 Significant changes to the organization and its supply chain	Supplier ESG Management;
102-11 Precautionary Principle or approach	Anti-corruption Management and Professional Ethics
102-12 External initiatives	-
102-13 Membership of associations	Implement Environmental Protection Management and Enjoy a Life + Delicacy
2. Strategy	
102-14 Statement from senior decision-maker	Statement of Chairman
102-15 Key impacts, risks, and opportunities	Tackle Climate Change
3. Ethics and integrity	
102-16 Values, principles, standards, and norms of behaviour	Statement of Chairman;
102-17 Mechanisms for advice and concerns about ethics	Anti-corruption Management and Professional Ethics

Disclosure Items	Disclosure Position
102-18 Governance structure	About the Master Kong
102-19 Delegating authority	-
102-20 Executive-level responsibility for economic, environmental, and social topics	-
102-21 Consulting stakeholders on economic, environmental, and social topics	-
102-22 Composition of the highest governance body and its committees	About the Master Kong
102-23 Chair of the highest governance body	-
102-24 Nominating and selecting the highest governance body	-
102-25 Conflicts of interest	-
102-26 Role of highest governance body in setting purpose, values, and strategy	Stakeholder Communication and Materiality Assessment of Key Issues
102-27 Collective knowledge of highest governance body	-
102-28 Evaluating the highest governance body's performance	-
102-29 Identifying and managing economic, environmental, and social impacts	-
102-30 Effectiveness of risk management processes	About the Master Kong
102-31 Review of economic, environmental, and social topics	-
102-32 Highest governance body's role in sustainability reporting	-
102-33 Communicating critical concerns	Stakeholder Communication and Materiality Assessment of Key Issues
102-34 Nature and total number of critical concerns	-
102-35 Remuneration policies	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
102-36 Process for determining remuneration	-
102-37 Stakeholders' involvement in remuneration	-
102-38 Annual total compensation ratio	-
102-39 Percentage increase in annual total compensation ratio	-

4. Governance

Disclosure Items	Disclosure Position
102-40 List of stakeholder groups	Stakeholder Communication and Materiality Assessment of Key Issues
102-41 Collective bargaining agreements	-
102-42 Identifying and selecting stakeholders	Stakeholder Communication and Materiality Assessment of Key Issues
102-43 Approach to stakeholder engagement	-
102-44 Key topics and concerns raised	Stakeholder Communication and Materiality Assessment of Key Issues
102-45 Entities included in the consolidated financial statements	-
102-46 Defining report content and topic boundaries	About the Report
102-47 List of material topics	Master Kong's Implementation of the Sustainable Development Goals
102-48 Restatements of information	-
102-49 Changes in reporting	-
102-50 Reporting period	About the Report
102-51 Date of most recent report	About the Report
102-52 Reporting cycle	About the Report
102-53 Contact point for questions regarding the report	About the Report
102-54 Claims of reporting in accordance with the GRI Standards	About the Report
102-55 GRI content index	Appendix 4: Index Table of GRI Standards
102-56 External assurance	-

5. Stakeholder engagement

6. Reporting practice

Disclosure Items		Disclosure Position	
GRI 201: Economic Performance	GRI 103: Management approach disclosures	Management approach for economic performance	-
	Topic-specific disclosures	201-1 Direct economic value generated and distributed	-
		201-2 Financial implications and other risks and opportunities due to climate change	Tackle Climate Change
		201-3 Defined benefit plan obligations and other retirement plans	-
		201-4 Financial assistance received from government	-
GRI 202 Market Presence	GRI 103: Management approach disclosures	Management approach for market presence	-
	Topic-specific disclosures	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
		202-2 Proportion of senior management hired from the local community	-
GRI 203: Indirect Economic Impacts	GRI 103: Management approach disclosures	Management approach for indirect economic impacts	-
	Topic-specific disclosures	203-1 Infrastructure investments and services supported	-
		203-2 Significant indirect economic impacts	-
GRI 204: Procurement Practices	GRI 103: Management approach disclosures	Management approach for procurement practices	Food Safety Trackability Management; Supplier ESG Management; Anti-corruption Management and Professional Ethics
	Topic-specific disclosures	204-1. Proportion of spending on local suppliers	-
GRI 205: Anti-corruption	GRI 103: Management approach disclosures	Management approach for anti-corruption	Anti-corruption Management and Professional Ethics
		205-1 Operations assessed for risks related to corruption	-
	Topic-specific disclosures	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption Management and Professional Ethics
		205-3 Confirmed incidents of corruption and actions taken	-
GRI 206: Anti-competitive Behaviour	GRI 103: Management approach disclosures	Management approach for anti-competitive behaviour	-
	Topic-specific disclosures	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-

Disclosure Items		Disclosure Position	
GRI 301: Materials	GRI 103: Management approach disclosures	Management approach for materials	-
	Topic-specific disclosures	301-1 Materials used by weight or volume	-
		301-2 Recycled input materials used	-
		301-3 Reclaimed products and their packaging materials	-
GRI 302: Energy	GRI 103: Management approach disclosures	Management approach for energy	Energy Conservation Management
		302-1 Energy consumption within the organisation	The Environmental Key Performance Indicators
	Topic-specific disclosures	302-2 Energy consumption outside of the organisation	-
		302-3 Energy intensity	The Environmental Key Performance Indicators
		302-4 Reduction of energy consumption	Energy Conservation Management
		302-5 Reductions in energy requirements of products and services	Energy Conservation Management
GRI 303: Water and Effluents	GRI 103: Management approach disclosures	Management approach for water and effluents	Water Conservation Management
		303-1 Interactions with water as a shared resource	The Environmental Key Performance Indicators
	Topic-specific disclosures	303-2 Management of water discharge-related impacts	-
		303-3 Water withdrawal	Water Conservation Management
GRI 304: Biodiversity	GRI 103: Management approach disclosures	Management approach for biodiversity	-
		304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	Topic-specific disclosures	304-2 Significant impacts of activities, products, and services on biodiversity	-
		304-3 Habitats protected or restored	-
GRI 305: Emissions	GRI 103: Management approach disclosures	Management approach for emissions	Low Carbon and Emission Management
		305-1 Direct (Scope 1) GHG emissions	The Environmental Key Performance Indicators
	Topic-specific disclosures	305-2 Energy indirect (Scope 2) GHG emissions	The Environmental Key Performance Indicators

Disclosure Items		Disclosure Position	
GRI 305: Emissions	Topic-specific disclosures	305-3 Other indirect (Scope 3) GHG emissions	-
		305-4 GHG emissions intensity	The Environmental Key Performance Indicators
		305-5 Reduction of GHG emissions	Low Carbon and Emission Management; The Environmental Key Performance Indicators
		305-6 Emissions of ozone-depleting substances (ODS)	-
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Low Carbon and Emission Management
GRI 306: Effluents and Waste	GRI 103: Management approach disclosures	Management approach of effluents and waste	Water Conservation Management; Low Carbon and Emission Management
	Topic-specific disclosures	306-1 Water discharge by quality and destination	-
		306-2 Waste by type and disposal method	The Environmental Key Performance Indicators
		306-3 Significant spills	-
		306-4 Transport of hazardous waste	-
		306-5 Water bodies affected by water discharges and/or runoff	-
GRI 307: Environmental Compliance	GRI 103: Management approach disclosures	Management approach for environmental compliance	Implement Environmental Protection Management and Enjoy "Life + Delicacy"
	Topic-specific disclosures	307-1 Non-compliance with environmental laws and regulations	-
GRI 308: Supplier Environmental Assessment	GRI 103: Management approach disclosures	Management approach for supplier environmental assessment	Supplier ESG Management
	Topic-specific disclosures	308-1 New suppliers that were screened using environmental criteria	-
		308-2 Negative environmental impacts in the supply chain and actions taken	-
GRI 401: Employment	GRI 103: Management approach disclosures	Management approach for employment	Deeply Develop Human Resources and Create a Better Workplace
	Topic-specific disclosures	401-1 New employee hires and employee turnover	-
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Deeply Develop Human Resources and Create a Better Workplace
		401-3 Parental leave	-

Disclosure Items		Disclosure Position	
GRI 402: Labour/Management Relations	GRI 103: Management approach disclosures	Management approach for labour/management relations	Deeply Develop Human Resources and Create a Better Workplace
	Topic-specific disclosures	402-1 Minimum notice periods regarding operational changes	-
GRI 403: Occupational Health and Safety	GRI 103: Management approach disclosures	Management approach for occupational health and safety	Protect the Health and Safety of Employees and Create a Safe Workplace
	Topic-specific disclosures	403-1 Workers representation in formal joint management-worker health and safety committees	-
		403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	-
		403-3 Workers with high incidence or high risk of diseases related to their occupation	-
		403-4 Health and safety topics covered in formal agreements with trade unions	Protect the Health and Safety of Employees and Create a Safe Workplace
GRI 404: Training and Education	GRI 103: Management approach disclosures	Management approach for training and education	Promote Growth and Development of Employees and create an intelligence workplace
	Topic-specific disclosures	404-1 Average hours of training per year per employee	Promote Growth and Development of Employees and create an intelligence workplace
		404-2 Programs for upgrading employee skills and transition assistance programs	Promote Growth and Development of Employees and create an intelligence workplace
		404-3 Percentage of employees receiving regular performance and career development reviews	-
	GRI 103: Management approach disclosures	Management approach for diversity and equal opportunity	Deeply Develop Human Resources and Create a Better Workplace
GRI 405: Diversity and Equal Opportunity	Topic-specific disclosures	405-1 Diversity of governance bodies and employees	Deeply Develop Human Resources and Create a Better Workplace
		405-2 Ratio of basic salary and remuneration of women to men	-

Disclosure Items			Disclosure Position
GRI 406: Non-discrimination	GRI 103: Management approach disclosures	Management approach for non-discrimination	Deeply Develop Human Resources and Create a Better Workplace
	Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken	-
GRI 407: Freedom of Association and Collective Bargaining	GRI 103: Management approach disclosures	Management approach for freedom of association and collective bargaining	-
	Topic-specific disclosures	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labour	GRI 103: Management approach disclosures	Management approach for child labour	Deeply Develop Human Resources and Create a Better Workplace
	Topic-specific disclosures	408-1 Operations and suppliers at significant risk for incidents of child labour	-
GRI 409: Forced or Compulsory Labour	GRI 103: Management approach disclosures	Management approach for forced or compulsory labor	Deeply Develop Human Resources and Create a Better Workplace
	Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	-
GRI 410: Security Practices	GRI 103: Management approach disclosures	Management approach for security practices	-
	Topic-specific disclosures	410-1 Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of Indigenous Peoples	GRI 103: Management approach disclosures	Management approach for rights of indigenous peoples	-
	Topic-specific disclosures	411-1 Incidents of violations involving rights of indigenous peoples	-
GRI 412: Human Rights Assessment	GRI 103: Management approach disclosures	Management approach for human rights assessment	-
		412-1 Operations that have been subject to human rights reviews or impact assessments	-
	Topic-specific disclosures	412-2 Employee training on human rights policies or procedures	-
		412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
GRI 413: Local Communities	GRI 103: Management approach disclosures	Management approach for local communities	Shoulder for Responsibilities; Donate for Charity; Share "Life + Delicacy"
	Topic-specific disclosures	413-1 Operations with local community engagement, impact assessments, and development programs	Support for Agicultural Development
		413-2 Operations with significant actual and potential negative impacts on local communities	-

Disclosure Items			Disclosure Position
GRI 414: Supplier Social Assessment	GRI 103: Management approach disclosures	Management approach for supplier social assessment	Food Safety Trackability Management; Supplier ESG Management; Anti-corruption Management and Professional Ethics
	Topic-specific disclosures	414-1 New suppliers that were screened using social criteria	-
		414-2 Negative social impacts in the supply chain and actions taken	-
GRI 415: Public Policy	GRI 103: Management approach disclosures	Management approach for public policy	-
	Topic-specific disclosures	415-1 Political contributions	-
GRI 416: Customer Health and Safety	GRI 103: Management approach disclosures	Management approach for customer health and safety	Food Safety Positioned at Core; Nutrition Served as First Priority; Enjoy "Life + Delicacy"
	Topic-specific disclosures	416-1 Assessment of the health and safety impacts of product and service categories	Food Safety Positioned at Core; Nutrition Served as First Priority; Enjoy "Life + Delicacy"
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
GRI 417: Marketing and Labeling	GRI 103: Management approach disclosures	Management approach for marketing and labeling	Advertising and Intellectual Property Management
		417-1 Requirements for product and service information and labeling	Advertising and Intellectual Property Management
	Topic-specific disclosures	417-2 Incidents of non-compliance concerning product and service information and labeling	-
		417-3 Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy	GRI 103: Management approach disclosures	Management approach for customer privacy	Customer Services
	Topic-specific disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-
GRI 419: Socio-economic Compliance	GRI 103: Management approach disclosures	Management approach for socioeconomic compliance	Advertising and Intellectual Property Management; Anti-corruption Management and Professional Ethics
	Topic-specific disclosures	419-1 Non-compliance with laws and regulations in the social and economic area	

APPENDIX 3 | TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Ten principles of the UN Global Compact			Disclosure Position
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
	Principle 2	Make sure that they are not complicit in human rights abuses.	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
	Principle 4	The elimination of all forms of forced and compulsory labour;	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
	Principle 5	The effective abolition of child labour;	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
	Principle 6	he elimination of discrimination in respect of employment and occupation.	Care for Employees and Promote Culture as its Soul, Endeavors to Build "Life + Delicacy"
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Implement Environmental Protection Management and Enjoy "Life + Delicacy"
	Principle 8	Undertake initiatives to promote greater environmental responsibility; and	Implement Environmental Protection Management and Enjoy "Life + Delicacy"
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	Implement Environmental Protection Management and Enjoy "Life + Delicacy"
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Together with Integrity and Cooperation, Share "Life + Delicacy"

APPENDIX 4 | INDEX TABLE OF ISO26000: GUIDANCE ON SOCIAL RESPONSIBILITY (2010)

Core Subjects and Issues		Disclosure Position
Core subject: Organi-sational governance		Corporate Governance
Core subject: Human rights	Issue 1: Due diligence	-
	Issue 2: Human rights risk situations	-
	Issue 3: Avoidance of complicity	Anti-corruption Management and Professional Ethics
	Issue 4: Resolving grievances	Anti-corruption Management and Professional Ethics
	Issue 5: Discrimination and vulnerable groups	Deeply Develop Human Resources and Create a Better Workplace
	Issue 6: Civil and political rights	Deeply Develop Human Resources and Create a Better Workplace
	Issue 7: Economic, social and cultural rights	Deeply Develop Human Resources and Create a Better Workplace
	Issue 8: Fundamental principles and rights at work	Deeply Develop Human Resources and Create a Better Workplace
Core subject: Labour practices	Issue 1: Employment and employment relationships	Deeply Develop Human Resources and Create a Better Workplace
	Issue 2: Conditions of work and social protection	Deeply Develop Human Resources and Create a Better Workplace; Protect the Health and Safety of Employees and Create a Safe Workplace
	Issue 3: Social dialogue	Deeply Develop Human Resources and Create a Better Workplace; Stakeholder Communication and Materiality Assessment of Key Issues
	Issue 4: Health and safety at work	Protect the Health and Safety of Employees and Create a Safe Workplace
	Issue 5: Human development and training in the workplace	Promote Growth and Development of Employees and Create an Intelligent Workplace
Core subject: The envi-ronment	Issue 1: Prevention of pollution	Low Carbon and Emission Management
	Issue 2: Sustainable resource use	Energy Conservation Management; Water Conservation Management; Reduce the Use of Packaging Materials
	Issue 3: Climate change mitigation and adaptation	Tackle Climate Change
	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	Procurement of Sustainable Raw Materials
Core subject: Fair oper-ating practices	Issue 1: Anti-corruption	Anti-corruption Management and Professional Ethics
	Issue 2: Responsible political involvement	Anti-corruption Management and Professional Ethics
	Issue 3: Fair competition	Anti-corruption Management and Professional Ethics
	Issue 4: Promoting social responsibility in the value chain	Supplier ESG Management
	Issue 5: Respect for property rights	Advertising and Intellectual Property Management

Core Subjects and Issues		Disclosure Position
Core subject: Consumer issues	Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	Advertising and Intellectual Property Management; Anti-corruption Management and Professional Ethics
	Issue 2: Protecting consumers' health and safety	Food Safety Management; Construction of Food Safety Management and Control Mechanism; Nutrition Product Development and Expansion
	Issue 3: Sustainable consumption	Procurement of Sustainable Raw Materials
	Issue 4: Consumer service, support, and complaint and dispute resolution	Customer Services
	Issue 5: Consumer data protection and privacy	Customer Services
	Issue 6: Access to essential services	Focus on Social Services
	Issue 7: Education and awareness	Collaborative Development of Industry, Research and Learning; Food Safety Science Popularization; Education on Water
Core subject: Community involvement and development	Issue 1: Community involvement	Stakeholder Communication and Materiality Assessment of Key Issues
	Issue 2: Education and culture	Focus on Social Services; Reinforced School-Enterprise Cooperation
	Issue 3: Employment creation and skills development	Focus on Social Services; Reinforced School-Enterprise Cooperation; Supplier ESG Management
	Issue 4: Technology development and access	Supplier ESG Management; Nutrition Product Development and Expansion; Supplier ESG Management
	Issue 5: Wealth and income creation	Focus on Social Services
	Issue 6: Health	Sports Charity Events; Resuming Work and Production Timely to Ensure Market Supply; Protect the Health and Safety of Employees and Create a Safe Workplace; Fulfilling Social Responsibilities to Carry Out Anti-Pandemic Support Actions
	Issue 7: Social investment	Promotion and Dissemination of the Concept of Sustainable Development; Food Safety Science Popularization; Education on Water; Sports Charity Events; Focus on Social Services; Support for Agricultural Development; Reinforced School-Enterprise Cooperation; Help with COVID-19, Health is a Blessing, Ensuring "Life +Delicacy"



Note: Environment-friendly paper and soy-based ink are used for this report.



Please scan the QR
code above to follow
Master Kong's WeChat
Official Account



Please scan the QR
code above to follow
Master Kong's Weibo
Official Account