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STATEMENT BY CHAIRMAN OF THE COMPANY AND THE SUSTAINABLE DEVELOPMENT COMMITTEE

Master Kong has always adhered to the brand philosophy of "**LIFE + DELICACY**", integrating the sustainable development concept of "**Keep Our Nature Green**" into its corporate DNA. We strive to build a national brand that earns the government's trust, consumers' confidence, and partners' collaboration.

We strictly uphold food safety standards, providing consumers with nutritious, healthy, delicious, and diverse product choices. We continually expand the scope and depth of our efforts in energy conservation, emissions reduction, and plastic waste minimisation. Together with partners across the value chain, **we are committed to driving the green transformation of the food industry.**

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

Commitment to Good Quality

Food safety is the cornerstone of Master Kong's survival and development. We continue to uphold a zero-tolerance approach towards food safety risks, increasing investment in food safety, optimising the food safety management system, strengthening product traceability and recall capabilities, advancing the development of digital food safety systems, and enhancing food safety risk monitoring. Furthermore, by leveraging leading research resources both domestically and internationally, we promote high-end research and development of food safety technology and the transformation of research and development results, in order to continuously improve the food safety level of the industry.

Brand Promotion

Master Kong leverages innovation as its core driver, accurately identifying consumption trends and the preferences of younger demographics to build a diverse product portfolio. Through marketing initiatives centred around sporting events and public welfare promotions, the brand integrates the philosophy of "**LIFE + DELICACY**" into its campaigns. In 2024, Master Kong became the first enterprise in China to apply aerospace patents to the production of instant noodles, held a series of brand marketing activities, which stimulates social interaction in the circle, promoting brand goodwill and preference of Master Kong.

Green Operation

Master Kong integrates the sustainable development concept of "**Keep Our Nature Green**" into all aspects of its production and operations, actively driving a comprehensive green transition across its entire value chain. In 2024, the Company undertook greenhouse gas emission reduction initiatives across all the value chain, adopted an "AI automated agriculture" operational model, advanced the digital transformation of its production management and actively engaged in green electricity trading. We have formulated a green packaging strategy to minimise the environmental impact of product packaging based on the 3R (Reduce, Reuse, and Recycle) principles of a circular economy.

Employee Care

We rigorously safeguard all legitimate rights and interests of employees, diligently nurture their development and growth, and prioritise the establishment of occupational health and safety management systems. Concurrently, we have launched an employee psychological counselling platform and the KSF's Mental Health Station to provide enhanced mental health support. In 2024, we continued to be guided by the "**KSF WAY**", fostering an ecological cultural system featuring "**KSF WAY**" as the Core, Synergizing with Business Unit Cultures, embracing responsibility and self-motivation". This framework places the orientation and cohesion function of culture and accelerates the corporate management and transformation upgrading.

Giving Back to the Society

Master Kong has always taken serving the community as its own responsibility, paying close attention to the needs of the community. Through diverse initiatives including emergency relief supplies, charitable donations, sports charity events, food safety education, education on water, rural revitalisation, and school-enterprise cooperation, the Company organically combined community investment and public welfare practices with its own business. This enables Master Kong to contribute meaningfully to society and generate sustainable value.

"Those who work will succeed, and those who walk will arrive at their destination". Each commitment we make to quality is a pledge to the future, and every investment in sustainability contributes to weaving a brighter tomorrow. Moving forward, we will continue to be guided by the "**KSF WAY**", prioritising both economic efficiency and social value. Through high-quality development, we will write a new chapter in green transformation and set a benchmark for sustainable growth within the industry.

Wei Hong-Ming
Chairman



STATEMENT BY CEO AND VICE CHAIRMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

In 2024, amid a new global business landscape, sustainable development is undergoing a transition from conceptual adoption to tangible corporate value creation. Throughout its pursuit of high-quality growth, Master Kong has consistently embedded sustainability across its entire value chain and actively implemented its sustainability strategy. In 2025, the Company is included in S&P Global's *Sustainability Yearbook (China Edition)*, along with being recognised as the "Industry Mover" — the only food company in China to receive this accolade — represents not only a significant acknowledgement of our sustainability achievements but also a powerful impetus for our continued efforts in the future.

Master Kong's sustainability journey represents a dynamic and evolving process, requiring mutual influence and collaborative progress both internally and externally. Internally, our management team embraces an international perspective and deep awareness of sustainability, prioritising the sustainable development work. Externally, peer companies and global institutions such as the United Nations Global Compact have provided advanced expertise and concepts, enabling us to embark on our sustainability actions earlier and more effectively. Master Kong has remained committed to its core mission, consistently leveraging innovation to drive transformation and fulfilling responsibilities to foster development. By integrating sustainability into the fabric of corporate strategy, we strive to become a leading force within the industry.

Master Kong adopts an innovative, full-value-chain approach to protect the ecological environment of upstream cultivation, continuously upgrade digitalised and smart production, empower the industry supply chain, and engage in cross-sector collaboration. We deeply embed low-carbon practices into upstream farming operations, establishing multiple "environmentally friendly vegetable bases". Through the innovative "Enterprise + Base + Farmers" model, we have achieved synergistic development with competitive rural industries. We collaborate with suppliers to introduce smart agricultural technologies and adopt an "AI automated agriculture" operational model that enhances energy and resource efficiency across the entire process of vegetable cultivation, harvesting and processing, achieving fully automated vegetable production. We also innovatively apply biodegradable mulch film technology to ensure product safety and quality from the source, achieving a win-win outcome for both economic efficiency and environmental benefits.

In production process, Master Kong leverages initiatives such as digitalised and smart factories to continuously optimise manufacturing processes and significantly improve energy efficiency, contributing practical, science-based carbon reduction expertise to the industry's green transition. Guided by the "3699" path outlined in the *Corporate Net Zero Pathway*, Master Kong has established a clear three-phase strategy. We optimise production procedures to enhance energy efficiency and reduce water consumption; we develop low-carbon products and decrease carbon emissions across the value chain, sharing actionable insights with the industry; we actively

empower supply chain partners to adopt better packaging materials, reduce plastic usage, and implement carbon offset projects to identify carbon neutrality solutions throughout the industrial chain. From 2017 to 2024, Master Kong reduced comprehensive energy consumption per million of sales by 19.04%, and decreased greenhouse gas emissions per million of sales by 27.44%.

Master Kong's achievements in sustainable development are reflected not only in its corporate growth, but also in its active contributions to society. In 2024, we launched "InheriTea", a new premium carbon-neutral tea beverage that preserves the rich, authentic flavour of Chinese tea while showcasing its original aroma. By optimising packaging materials and implementing carbon offset initiatives, we have significantly reduced environmental impact while generating remarkable economic benefits with over RMB 100 million in economic returns.

Today, the sustainability journey initiated by Master Kong, "engaging upstream and downstream partners while benefiting consumers", has formed a complete and closed-loop model. Along this path, we have embraced lightened steps following the "dual reductions" in energy and emissions, shouldered the profound responsibility of "Promoting Chinese Food & Beverage Culture", and continued our market exploration to better meet consumer needs.

Looking back on Master Kong's journey in sustainable development, we are filled with both profound pride and strong confidence. From being a humble explorer seeking guidance from international peers to becoming a leader contributing Chinese approaches to the global food industry, Master Kong has forged a distinctive path in sustainable practices. Looking forward, Master Kong will adhere to a philosophy of long-termism, continuously improving its food safety management system and building a green industrial chain. We are committed to demonstrating the innovative power of Chinese enterprises in sustainability and creating new value for consumers under the vision of "LIFE + DELICACY".

Richard Chen
Chief Executive Officer



DESCRIPTION OF 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 Organisation for Standardisation (ISO) "ISO 26000: 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 2024 based on the Company's development strategy. For information regarding the governance section, please refer to the Corporate Governance Report as incorporated in *Tingyi (Cayman Islands) Holding Corp. 2024 Annual Report*.

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 "sustainable development is good 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.



REPORT SCOPE

Organisational Scope of the Report:
the main office areas and regular operating plants of Tingyi (Cayman Islands) Holding Corp. in China, with no significant changes from the previous year.

Time Frame of the Report:
From 1 January 2024 to 31 December 2024. For the sake of the completeness of the report, it also covers some relevant contents occurred in 2025.



REPORTING STANDARDS FOR PREPARATION

This report mainly refers to the Sustainable Reporting Standards of the Global Reporting Initiative ("GRI Standards") and ISO 26000: Guidance on Social Responsibility (2010) of the International Organisation for Standardisation.



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.

欢乐饮食 美好生活™
Life + Delicacy

Tingyi (Cayman Islands) Holding Corp. is 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. The Company's market capitalisation as of 31 December 2024 was HKD 57.0 billion. The Company is a constituent stock of Morgan Stanley Capital International ("MSCI") China Index and Hang Seng Index. 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 distribution of food and beverages, keep close connection with stakeholders and actively fulfil social responsibilities with the original aspiration of "Promoting Chinese Food & Beverage Culture", the purpose of "Serving Consumers", and the sustainable development concept of "Keep Our Nature Green".





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 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 Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. As of December 31, 2024, the Board comprised of 9 Directors in total, including 3 independent non-executive directors and 1 female director.

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 and their effectiveness, 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 Remuneration and Nomination 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. With regard to the policy on the nomination of Directors, the Remuneration and Nomination Committee will take into account the experience, knowledge and professionalism of the nominees in order to enable them to bring efficiency and effectiveness to the Board and to promoting diversity in board membership (including gender diversity). During this financial year, the Remuneration and Nomination Committee implemented works including: review the structure, size and composition of the Board; assess the performance of the Executive Directors; review diversity status of existing members of the Board and give advice; evaluate the biography of the Director candidates and advise the Board in respect of the re-appointment of the Directors; advise the Board in respect of the remuneration of senior management.

During the financial year ended 31 December 2024, six Board meetings, two Audit Committee meetings and one Remuneration and Nominating Committee meeting were held.

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 an organisation structure, responsibility and authority in the construction of three lines of defence for risk management. 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 2024, the Group has been carrying out self-assessment of internal control where a

prudent and effective self-inspection system has been established to achieve full coverage of external and internal inspection on each aspect thought the major management circle. The effectiveness of internal controls over major key financial and non-financial risks is reviewed internally on an annual basis. We communicate with responsible personnel on the identified issues and their relevant processes and provide recommendations for improvement and coaching to enhance the risk management process. Meanwhile, more efforts have been put in supervision over subsidiaries where management regulations have been formulated with a priority to processes of higher risk. In addition, the Group has been promoting the monitoring work in respect of laws and regulations anti-fraud and the construction of internal control culture.

First Line of Defence	Business marketing companies, factories, sales departments, manufacturing units, and local functional departments of each business	Provide products and services to customers while also bearing risk management responsibilities.
Second line of Defence	Functional departments such as Internal Control, Operations Centre, Supply Chain Centre, Finance and Accounting Unit, Legal Unit, System Centre, R&D, and Food Safety Management under the holding company and business divisions.	Assist in conducting risk management activities by providing professional expertise, support, and oversight, as well as raising well-founded challenges on risk-related matters.
Third line of Defence	Audit department under the Board	Accountable to the governing body, providing independent and objective assurance and advisory services to both the governing body and management on matters relating to organisational activities, outcomes, and projections of future developments.

Under the guidance of the Board of Directors and the Operating Committee, the Group continues to focus on managing five key risks in 2024 across the three major domains of environmental, social, and corporate governance, including environmental pollution risks, food safety risks, corruption risks, information risks, and supply chain risks. Concurrently, we have integrated risk management into the entire process of new product

development, implementing controls at every stage, from raw material sourcing, product formulation design, product safety verification, food safety screening, and compliance of label claims, to ensure that products are launched in compliance with regulations. Additionally, Master Kong pays close attention to and continuously assesses emerging risks, establishing appropriate mitigation measures.

Emerging risk 1: Data export and import risks	
Risk description	Risk response
Fail to take into account the regulatory requirements, data sensitivity, and data usage conditions in different regions may lead to the risk of external regulatory concerns when data is transferred out of the country.	The Company takes the lead in launching a data governance project with relevant departments, strengthening the analysis of both internal environments and external policies, organizing and conducting business continuity drills, obtaining external professional certifications (such as ISO 27001 Information Security Management System Certification), and maintaining them on a regular basis.



Emerging risk 2: Risk of changes in the macro environment

Risk description	Risk response
<p>As a national enterprise brand endorsed by state institutions, Master Kong may encounter unfair business treatment in overseas markets as a Chinese-funded enterprise, which could subsequently affect the development of its overseas business.</p>	<p>The Company's Legal Department regularly conducts risk assessments or engages external third parties to analyse macro-environment risks, and establishes a comprehensive specialised framework for legal and compliance risks.</p>

The Board conducts review for the Group's risk management and internal control system at least once annually. The Board recognises it has overall responsibility of the Group's risk management and internal control systems and reviews their effectiveness. Such systems are designed to manage rather than eliminate risks of failure in the achievement of the Group's business objectives and the Board can only provide reasonable, but not absolute assurance against material misstatement or loss.

For the financial year ended 31 December 2024, the Board has reviewed the effectiveness of risk management and internal control systems. All the important controls have been reviewed, including financial control, operational control and compliance control. According to the internal audit of the internal inspection department, we have not identified any material deficiency in risk management and internal control. Therefore, the Board and the Audit Committee believe that the Group's risk management and internal control system are effective.

To raise employees' awareness of risk management and internal control, Master Kong organises various training and publicity campaigns. Specifically, we regularly issue Internal Control Newsletter through WeCom covering risk management

knowledge, case study, policy promotion, etc. to all employees (including senior management); we also use the online OA Internal Control Academy to regularly release risk management training courses for all employees to study online; we hold professional seminars on frontline inspection functions every six months, providing training on risk management cases, risk control knowledge, and business processes for frontline inspection/internal control system personnel; we send internal control effectiveness coaching and inspection reports via email to headquarters and related business units for risk early warning quarterly; external consultants are invited at least once a year to conduct online/offline risk management knowledge training, covering risk management concepts, basic theories, and interactive exchanges, with the training scope involving personnel from headquarters and related business units; we conduct online/offline internal control overall evaluation training annually, inviting external consultants to explain internal control self-assessment knowledge, etc., encouraging employees to proactively identify and report potential risks and improvement measures. Additionally, the Company regularly sends reference materials on new listing regulations, regulatory requirements, and director responsibilities to all directors to help enhance their performance capabilities.



Commitment to Good Quality

As a national brand and industry leader, food safety is the cornerstone of Master Kong's survival and development, as well as an unwavering commitment to consumers. In 2024, while complying with all applicable laws and regulations, we continued to uphold a "zero tolerance" approach towards food safety risks, increased investment in the area of food safety, and strengthened food safety monitoring, with over 1,500 food safety risk monitoring indicators and over 3.5 million quality tests per year. Master Kong has invested RMB 500 million in the establishment of the Innovation R&D Centre, while using high-quality research resources at home and abroad to promote high-end research and development of food safety technology and the transformation of research and development results, in order to continuously improve the food safety level of the industry.

Master Kong continuously optimises its food safety management system, promoting close collaboration between internal departments to achieve end-to-end governance and whole-process supervision of the food safety system. The

Company is increasing the proportion of composite talents in digitalisation and other fields, to strengthen the development and reserve of a food safety talent pipeline. Training programmes are conducted to enhance employees' food safety management capabilities and technical skills. Third-party consultant resources are engaged to improve the authority and credibility of laboratory data of Food Safety Research and Management Centre. In the production process, Master Kong emphasises quality management, continually improving traceability and recall mechanisms, conducting recall drills, and implementing multiple digital management systems. The Company collaborated with third parties¹ to strengthen its upstream and downstream traceability capabilities and initiate pilot projects under the guidance of experts.

Master Kong collaborates with a wide range of stakeholders to enhance the standard of food safety governance across society. In 2024, we worked with external organisations such as Société Générale de Surveillance (SGS) to discuss and confirm food safety control standards for export products.

Brand Promotion

Brand Philosophy

LIFE + DELICACY

Master Kong leverages innovation as its core driver, accurately identifying consumption trends and the preferences of younger demographics to build a diverse product portfolio. Through marketing initiatives centred around sporting events and public welfare promotions, the brand integrates the philosophy of "LIFE + DELICACY" into its campaigns, achieving mutual reinforcement of consumer identification and brand value.

In 2024, Master Kong became the first enterprise in China to apply aerospace patents to the production of instant noodles. In December, Master Kong hosted the event titled "Building Dreams in Aerospace and Embarking on a New Journey • Awarding Ceremony for China's First Instant Noodle Enterprise Applying Aerospace Patents", garnering attention from three major media outlets, namely CCTV.com, XINHUANET, and People's Daily. In terms of hot topic communication, Master Kong proposed the brand communication idea of "Step Up with Confidence, Gotta Have This Flavour (底气上场, 就要这个味)". With a deep insight into fans' interests and behaviours, Master Kong held a series of brand marketing activities such as "Tomato Egg Beef Noodles" x "National Actress" Andy Yang (杨紫), "Good Soup Noodles" x "National Singer" Zhou Shen (周深), "Golden Stock Beef" x "Minions" and "Old Altar Pickled Cabbage Beef Noodles (老坛酸菜牛肉面)" x "Shanghai Animation Film Studio's 'Avoc in Heaven'", which stimulates social interaction in the circle and attracts a large number of fans to participate, promoting brand goodwill and preference of Master Kong.

¹Third parties refer to the enterprises that are specifically responsible for manufacturing and processing the products using their own production equipment and all the materials required for production provided by the customer, which are then delivered to the customer and sold through the customer's trademark and channels.



Green Operation



Sustainable Development Concept

Keep Our Nature Green

"Keep Our Nature Green" is the sustainable development concept of Master Kong. The Company employs refined management practices to reduce resource usage, integrating energy conservation, emissions reduction, and plastic reduction into production processes. It actively prioritises the procurement of sustainable raw materials and collaborates with supply chain partners to drive down greenhouse gas emissions through coordinated actions.

For water resource management, in 2024, Master Kong carried out "water balance tests" to understand the current situation of water consumption in the water supply network and each unit, to ensure water-saving projects have covered 100% of our plants. This year, 32 plants were once again awarded the title of "Excellent

Water-saving Enterprise" by the China Beverage Industry Association for their excellent management practices.

For the management of greenhouse gas, the Company undertakes greenhouse gas emission reduction initiatives across all the value chain. During the raw material production stage, we collaborate with suppliers to adopt an "AI automated agriculture" operational model that enhances energy and resource efficiency across the entire process of vegetable cultivation, harvesting and processing. Among its upstream supplier, food raw material suppliers of the Instant Noodles Business have installed rooftop distributed photovoltaic (PV) systems with a combined capacity exceeding 100 megawatts. For production and operations, we actively participate in green electricity transactions. In 2024, we purchased a total of 27 million kWh of green electricity. For downstream distribution channels, Master Kong Beverage Business actively promotes the switch to smart and energy-efficient refrigerators in distribution centres and stores to advance green and efficient refrigeration.

In terms of plastic reduction and packaging management, Master Kong has formulated a green packaging strategy to minimise the environmental impact of product packaging based on the 3R (Reduce, Reuse, and Recycle) principles of a circular economy. For example, we reduced PET particles use by approximately 350 tons in 2024 through bottle weight reduction efforts for 380 ml boiled water products.

In 2024, Master Kong achieved its reduction targets for energy consumption, water usage, emissions, and waste.

Employee Care

Master Kong resolutely upholds the legitimate rights and interests of employees. The Company has established comprehensive management systems to safeguard occupational health and safety, while shaping all-around excellent talents characterised by "Diligence, Integrity and Competence" through empowerment training. These efforts contribute to a positive corporate culture and enable shared growth with employees.

The Company regularly provides employee benefits such as health check-ups, rental subsidy, and birthday gifts, and offers cafeteria dining services for employees to ensure food safety and balanced nutrition. In 2024, the Company significantly increased standards for employee benefits and gifts such as marriage and childbirth, effectively enhancing employee satisfaction.

The Company maintains a long-term collaboration with external professional training institutions. We work together to create training programmes that are tailored to the actual needs of Master Kong, providing forward-looking and scientific knowledge and skills for our employees. This year, the total training time reached 7.203 million hours, and the per capita training time was 112.0 hours.

Constantly guided by "KSF WAY", the Company has built an ecological culture system featuring "KSF WAY as the Core, Synergizing with Business Unit Cultures, embracing responsibility and self-motivation". Based on systematically inducing and elaborating Master Kong's mission, vision, business philosophy, people and core values, the Company places the orientation and cohesion function of culture and accelerates the corporate management and transformation upgrading.



Giving Back to the Society

Master Kong has always taken serving the community as its own responsibility, paying close attention to the needs of the community, and organically combining community investment and public welfare practices with its own business. The Company created sustainable value by serving the society in a tangible way, all while sharing "LIFE + DELICACY" with partners from all walks of life. This year, community investment was approximately RMB 121.03 million, and hours of employees' volunteering activities were approximately 3,671 hours.

In 2024, Master Kong Beverage Business launched food safety publicity month theme campaigns nationwide, popularizing food safety knowledge among students and the general public through a variety of engaging activities, such as food safety science popularisation in schools and communities. Master Kong partnered with the China Foundation for Rural Development to provide professional support for pickle-making craftsmanship in Meishan, Sichuan. With the goals of cultivating rural craftsmen and boosting employment and income, Master Kong created a new collaborative development model involving "government + craftsmen + cooperatives + farmers". This initiative promoted the cultivation of skilled rural craftsmen in pickle-making, enhanced their business development capabilities, supported rural craftsmen in developing new products, building brands, and increasing employment and income, thereby empowering the development of specialty industries.

Total training time reached

7.203 million hours

Per capita training time was

112.0 hours

Master Kong's community investment reached

RMB 121.03 million

Employees' volunteering activities was

3,671 hours

ENHANCING THE SUSTAINABLE DEVELOPMENT PROCESS AND ENJOYING “LIFE + DELICACY”

With the mission of “Promoting Chinese Food & Beverage Culture” and the vision of “Being a Highly Esteemed Food & Beverage Company”, Master Kong practices the sustainable development concept of “Keep Our Nature Green”, engaging in close communication with stakeholders and actively fulfilling its social responsibilities.

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MASTER KONG SUSTAINABLE DEVELOPMENT CONCEPT

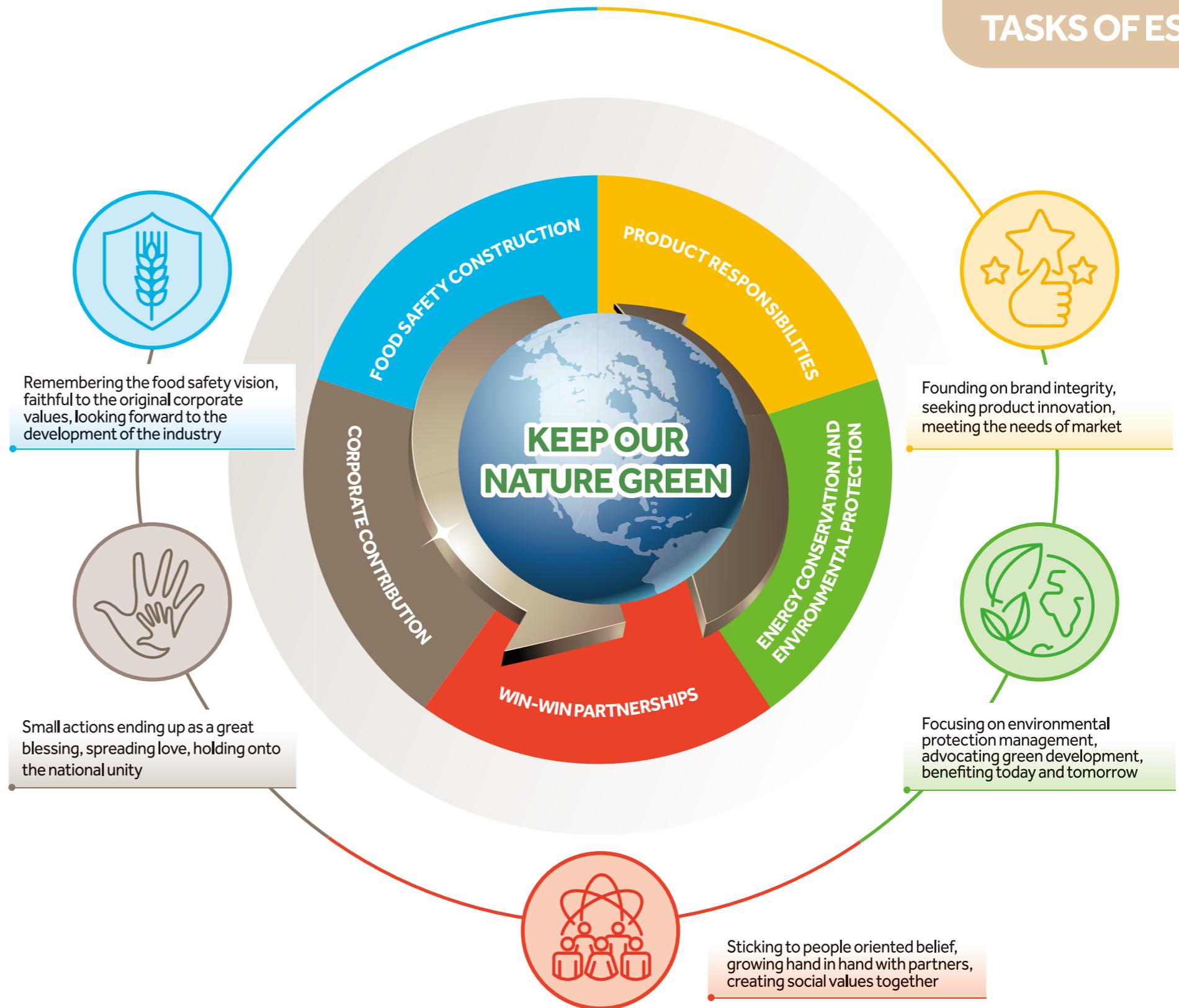


Master Kong consistently adheres to product quality, promotes low-carbon transformation, builds a talented workforce, and supports community development. We integrate the idea of "Healthy Management" with our corporate sustainable development strategy, implements five satisfaction strategies: "consumers, society, partners, employees, and shareholders", and takes food safety and nutritional health as the foundation and green innovation as the driving force, to promote the high-quality development of the food and beverage industry. We continue to explore and refine our performance in the areas of ESG, pay close attention to the demands of our stakeholders and closely communicate with them, sharing our corporate values with them to enhance social well-being and enjoy "LIFE + DELICACY" together with our stakeholders.

Master Kong believes that "sustainable development is good development". The year 2024 is a critical year for accomplishing the objectives and tasks set forth in the 14th Five-Year Plan. As a national brand enterprise, Master Kong integrates the overall national development strategy into its corporate actions. It ensures that the Company's development resonates with the interests of consumers, closely follows the development trend of the industry under the background of the "Carbon Peaking and Carbon Neutrality" strategy, transforms the national strategic potential into its own development efficiency. Master Kong strengthens cooperation and synergy among internal and external resources, continuously driving the industry towards green and low-carbon development.

We are constantly exploring the actual needs of society, combining the fundamental demands of stakeholders with the characteristics of our own industry, making **food safety construction, product responsibilities, energy conservation and environmental protection, win-win partnerships** and **corporate contribution** as the **five core tasks of ESG**. We continue to uphold product quality, constantly promote green innovation, actively take on social responsibility, and explore new paths for sustainable development with all sectors of society, contributing to a greener, healthier, and more sustainable world.

MASTER KONG'S FIVE CORE TASKS OF ESG





ESG GOVERNANCE STRUCTURE AND ACTIONS

The Sustainable Development Committee of Master Kong is chaired by the Chairman and CEO of the Company, with members of the Operating Committee as members, and comprises four working groups: Beverage Resources, Instant Noodle Resources, Product Research and Development, and Communication. The Committee guides work implementation and performance evaluation on the basis of a clear corporate ESG strategy and development direction, regularly deliberates and makes decisions on work objectives, report disclosure and related material matters concerning business conduct, environmental management, health and safety, supplier management, employee rights and development, cyber and information security, etc., and reports on work progress to the Board of Directors. Each working group continues to promote the implementation of relevant projects in accordance with its annual work plan and reports regularly to the Sustainable Development Committee and the Company's senior management on the progress of its work. At the same time, Master Kong further leverages the strengths of each business industry, enhances the relevance and practicability of ESG management, and making continuous efforts to implement the sustainable development concept of "Keep Our Nature Green".

Beverage Resources Working Group	Focusing on water conservation, energy saving and emission reduction, plastic reduction and packaging management, and sustainable raw material procurement, the Working Group actively promotes special projects for packaging design optimisation, rPET bottle label replacement, and the establishment of digital intelligent factories and logistics systems.
Instant Noodle Resources Working Group	Focusing on water conservation, energy saving and emission reduction management, the Working Group focuses on promoting special projects such as the improvement of air compressor energy efficiency, the transition to water-based ink printing for packaging, and plastic reduction and lightweighting to improve the Company's energy and environmental management.
Product Research and Development Working Group	Focusing on the development and expansion of healthy and nutritious products, the Working Group actively promotes special research projects on salt reduction, sugar reduction, fat reduction and nutritional fortification to meet consumers' needs for nutrition and health.
Communication Working Group	Focusing on enhancing the Company's sustainable development impact, the Working Group works with various working groups to introduce external resources and to organise activities such as healthy diet promotion and healthy research cooperation from the perspective of food safety, healthy China and sustainable development, and continues to promote the Comprehensive Carbon Inventory Project. At the same time, the Working Group actively promotes domestic and international cross-industry communication and cooperation, working together to deepen efforts in the field of sustainable development.

Master Kong has formulated the *Annual Bonus Measures* and the *Reward and the Punishment Management Measures*, including but not limited to legal and compliant operations, anti-corruption management, production safety (including but not limited to safety accidents, safety violation penalties, etc.), energy conservation and environmental protection (including but not limited to pollutant emissions, energy consumption management, environmental protection violation penalties, etc.). The annual performance-based compensation for senior management is linked to the ESG performance indicators, and the achievement of ESG performance indicators is directly or indirectly related to the annual bonus amount for senior management. Punitive measures would be taken against management personnel involved in corruption or non-compliant operations, with a certain amount of performance-based compensation deducted from their current year's remuneration based on the severity of the situation.



SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND INITIATIVES

Adopting a global perspective, Master Kong has always reviewed our development strategy and daily operation management. We have been actively responding to and upholding the United Nations Sustainable Development Goals (SDGs). Collaborating with stakeholders, we have been committed to a better life and delicacy.

Master Kong joined the United Nations Global Compact (UNGC) as a participant company, committing to the ten principles of the Global Compact that are based on the United Nations conventions and cover the areas of human rights, labour standards, environment and anti-corruption, to keep expanding the Company's sustainable development impact.



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联合国全球契约组织

UN Global Compact, UNGC



	FOOD SAFETY CONSTRUCTION	PRODUCT RESPONSIBILITY	ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION	WIN-WIN PARTNERSHIPS	CORPORATE CONTRIBUTION
Key SDGs addressed by Master Kong's Core Mission of Sustainable Development					
Our Actions	<ul style="list-style-type: none"> Improved the internal food safety management system and promoted digitalisation Increased investment in food safety and realised comprehensive monitoring over the whole industry chain Launched the "Food Science Popularisation into Campus" campaign, promoted the popular science work on food safety for young children Innovated food safety technology and improved product quality Reinforced talent training and team building in food Built R&D centres around food safety technologies, increased communication and cooperation with external institutions and universities to jointly improve the overall food safety level of the industry Launched the food safety publicity campaign and health promotion 	<ul style="list-style-type: none"> Supplied customers with safe, nutritious and healthy food to satisfy various kinds of demands Protected consumers' privacy and information security in all respects Listened to the demands and suggestions of customers, and improved service quality and efficiency Built product image and enhanced the brand influence through responsible labelling, advertising and intellectual property management 	<ul style="list-style-type: none"> Set environmental management targets based on the actual situation of our operation Strictly controlled discharge of pollutants, actively carried out energy and water conservation, and promoted low-carbon transition Optimised and reduced the consumption of product packaging, and recycled and reused waste packaging Focused on climate change risks and built sustainable supply chains 	<ul style="list-style-type: none"> Enhanced the environmental and social risk management for suppliers and required them to commit to the "nine mandatory requirements" Promoted the digital management of supply chains, covering the upstream and downstream of the value chain Shared big data and consumer insights with partners, provided technical support and coaching to suppliers, and drove technology upgrades Built a diverse workforce, created harmonious employment relationships and protected the legal rights of employees Continuously strengthened the health and safety management system and implemented production safety and occupational disease prevention and control measures Supported career development and created learning opportunities for employees 	<ul style="list-style-type: none"> Engaged in public welfare undertakings and promoted sustainable development Focused on social emergencies and actively provided caring assistance Actively promoted the strategy of serving rural revitalisation, and provided more support to rural business Deepened school-enterprise cooperation and developed outstanding talents for society
Our Achievements in 2024	<ul style="list-style-type: none"> All the normal operating plants of the Instant Noodles Business were certified under FSSC 22000 (Food Safety System Certification) or ISO 22000 (Food Safety Management System) and maintained good operation of the system All normal operating plants of Master Kong Beverages Business and Pepsi Beverages Business are certified under ISO 22000 (Food Safety Certification System), FSSC 22000 (Food Safety Certification System) and HACCP (Hazard Analysis Critical Control Point) Continuously improved the food safety process traceability system to achieve the transparent management of the tracking of raw materials and finished products, and continued to advance the digital transformation of the traceability system Promoted food safety across the whole industry chain, strengthened suppliers' awareness of food safety, and conducted multiple traceability drills. In 2024, Instant Noodles Business led 56 suppliers to conduct traceability drills and organised 75 sessions of food safety and quality activities, and Master Kong Beverage Business and Pepsi Beverage Business together held more than 740 food safety month theme activities Relying on Shanghai Instant Food Engineering Technology Research Centre, made use of quality international and domestic academic resources to promote high-end research and development of food safety technology and the utilisation of R&D outcomes, and continuously cooperated with external professional institutions and universities For the eleventh consecutive year, launched the food safety publicity month campaign Master Kong's "Flavour of the Future Pavilion", the first instant noodle culture and science popularisation experience hall in China, reopened in Hangzhou, to promote Chinese food culture and spread the concept of nutrition and health 	<ul style="list-style-type: none"> launched sugar-free and low-sugar products such as "Sugar-Free/Low-Sugar Oolong Tea", "InheriTea sugar-free tea", "GATORADE Red Grapefruit and Lime Electrolyte Sports Drink", and other low-fat and zero-fat drinks such as "Xiao Lao Duo Duo Lactobacillus Beverage (小酪多多乳酸菌飲品)", which significantly enhanced their health attributes while retaining their taste and quality Developed "small but beautiful" products, including the "Mini Bucket" instant noodles with a capacity of 60% of the conventional capacity, as well as mini bottles of "Master Kong Pure Sugar-free - Yunwu Green Tea" (350 mL) and mini bottles of "Master Kong Pure Sugar-free - Jasmine Tea" (350 mL) to meet the needs of consumers in pursuing a "healthy diet and exquisite life" launched the "Express Chef's Noodle (速达面馆)" series of new nutrition and health products, with the fat content of dry instant noodles per 100 g lower than 1 g, meeting the requirements of the national standard for low-fat dry instant noodles; the total amount of dietary fibre contained in a bucket of "Express Chef's Noodle", accounts for approximately 40% of the daily reference intake of dietary fibre of Chinese residents. Furthermore, one product of "Express Chef's Noodle" meets the scientific ratio of the three major nutrients, namely protein, carbohydrates, and fats, ensuring a balanced energy supply from these nutrients The annual satisfaction rate of customer complaints resolution reached 99.7% Actively implemented the intellectual property management measures, fully took action to defend our rights and provided relevant publicity and training to our staff 	<ul style="list-style-type: none"> Continue undertaking Carbon Inventory Project across the entire value chain, review previous carbon reduction achievements, and enable all business divisions to better understand their emission profiles to carry out targeted emission-reduction initiatives Shared energy saving experiences, and promoted the application of the Energy Management System (EMS) All plants of Master Kong's core products have implemented energy-saving and carbon reduction management Actively promoted key water-saving projects such as the utilisation of reclaimed water after sewage treatment, elimination and replacement of high water-consuming equipment, and the water-saving projects have covered 100% of our plants In 2024, the Master Kong Beverage Business processed about 1,500 tons of PET waste, which was turned into non-food grade PET bottles, fibres, and rPET employee uniforms, and tried to optimise PVC bottle labels into rPET labels, with related processes tested in some factories Pepsi Beverage Business handed over waste PET bottles to units with plastic recycling qualifications for recycling into recycled polyester chips, workwear and other environmentally friendly recycled goods, resulting in a total reduction of 31.5 tons of waste plastic 100% of Master Kong's paper suppliers for paper boxes and cartons hold Forest Stewardship Council (FSC) certificate 100% of palm oil suppliers in the Instant Noodles Business have obtained Roundtable on Sustainable Palm Oil (RSPO) certificate. For the white sugar suppliers of Master Kong Beverage Business and Pepsi Beverage Business, 30% of the total supply comes from suppliers that have obtained the Bonsucro certificate 	<ul style="list-style-type: none"> Improved the <i>Supplier Appraisal Operations Approaches</i>, which strengthens supplier supervision, conducts assessments of each supplier's supply quality, delivery time, service and cooperation, and carries out regular grading assessments. It also develops coaching strategies for suppliers and implements reward and punishment measures Signed the <i>Master Kong's Basic Agreement with Supplier on Environmental and Social Compliance</i> with all of the suppliers to manage their environmental and social risks as well as conduct continuous supervision on their performance of the Agreement In 2024, female employees accounted for 33% of our workforce Actively advances the digital transformation of human resources by continuously optimizing personnel and payroll processes, enabling online one-stop operations and streamlining workflows 93% of the Company's factories are certified under the ISO 45001 Occupational Health and Safety Management System Continuously advanced the standardisation and systematisation of its talent training system, in 2024, the total training time reached 7,203 million hours, and the per capita training time was 112.0 hours 	<ul style="list-style-type: none"> Community investment was approximately RMB 121.03 million, and hours of employees' volunteering activities were approximately 3,671 hours Continued to carry out the public welfare activities such as food safety science popularisation, "Education on Water" and rural revitalisation Provided timely and effective assistance to disaster-stricken people in emergency relief and charitable public welfare efforts, so as to build a warmer city and a more positive society Actively responded to the call of "strengthening the rural talent team" by implementing policies of the Rural Revitalisation Talent Support Plan and expanding its rural revitalisation plan from "industrial support" to "craftsmanship inheritance" Strengthened collaborations with over 200 universities nationwide, promoting an industry-education integration concept Partnered with Yuanpei College, Peking University to conduct ideological and political practice activities, expanding students' social awareness. It jointly launched the Integrated Practical Projects (IPP) with the School of Economics and Management at Tsinghua University to co-create new business operation strategies. It partnered with Harvard Business School to develop case studies on its beverage business, summarizing corporate innovation experiences. It also worked with world-renowned institutions such as Stanford University and Waseda University to launch talent development programs such as Global Management Immersion Experience (GMIX) summer internships and elite summer camps Master Kong had also set up scholarships for students and awards for faculty in a number of universities, established endowed chair professorships, supported research in various fields such as big data in health, and assisted discipline development and scientific research talent cultivation with practical actions

In the future, we will also continue to take a number of actions to actively implement the SDGs and make unremitting efforts to contribute more to the sustainable development of individuals, families, communities, nations and the planet.



SUSTAINABLE DEVELOPMENT ACTIONS AND PERFORMANCE



In 2024, Master Kong actively engaged in external cooperation, sharing the Company's mature practices and experiences related to ESG, earning widespread praise and high recognition from both domestic and international communities.

ATTENDANCE AT A UN HIGH-LEVEL CONFERENCE

- On the occasion of the 20th anniversary of the ESG concepts and principles proposed by the United Nations Global Compact (UNGC), it partnered with the Food and Agriculture Organisation of the United Nations (FAO) to establish, for the first time globally, the Steering Committee of the Collective Action on Sustainable Food Systems composed of enterprises. As the only Chinese food and beverage enterprise invited globally, Master Kong successfully served as a founding member of the Steering Committee. As the first company to speak at the committee's meeting, Master Kong shared its longstanding commitment of "Sustainable Operation, Contribution to Society", and introduced its relentless efforts in emergency relief, having assisted over 9.8 million person-times to date.



▲ "Founding Member of the Steering Committee of the Collective Action on Sustainable Food Systems" Awarded by the United Nations

- The United Nations Global Compact (UNGC) held its regional flagship event, "Forward Faster Now | Asia & Oceania". As the only Chinese food enterprise participating, Master Kong shared its concepts and practices in sustainable development and showcased a series of ESG practical results on site, such as label-free bottles specifically designed for fishermen based on marine ecological protection scenarios, and carbon neutral tea-based beverages.

INVITED TO THE 2024 BOAO FORUM FOR ENTREPRENEURS

- The 2024 Boao Forum for Entrepreneurs, themed "New Blueprint for Reform, New Engine for Development", was held in Boao, Hainan Province. During the opening ceremony, the CEO of Master Kong stated that innovative development, sustainable development and global development are three core focus areas of Master Kong. In the future, Master Kong will continue to deepen its exploration and practices across multiple dimensions, including innovation-driven development, green intelligent manufacturing, and quality control, to improve quality and efficiency, thereby fully stimulating the vitality of the industrial chain by creating new productive forces.



▲ Master Kong's CEO Delivered a Speech at the 2024 Boao Forum for Entrepreneurs

MASTER KONG'S CORPORATE REPRESENTATIVE DELIVERED A SPEECH AT THE CHINA INSTANT FOOD CONFERENCE AND EXHIBITION

- The 24th China Instant Food Conference and Exhibition was held in Kunshan, Jiangsu Province. Zhong Guoxing, the head of Master Kong Central Research Institute, attended the conference and delivered a speech as a corporate representative. He exchanged with industry peers on their respective concept updates, technological innovations, and pipeline innovations, nurturing new quality productive forces through intellectual exchanges and driving the high-quality development of the industry.



▲ Master Kong's Corporate Representative Delivered a Speech at the China Instant Food Conference



A PARTNER OF CHINA'S AEROSPACE INDUSTRY

- During the year, Master Kong continued to keep pace with the cutting-edge aerospace technology as a "partner of China's aerospace industry" and became the first instant noodle enterprise in China to apply aerospace patents. In the future, Master Kong will keep "aligning with aerospace standards and benchmarking aerospace quality", empowering its product quality with the spirit of aerospace and driving product innovation with aerospace-grade quality.



▲ Partner of China's aerospace industry



▲ President of the Instant Noodles Business, Mr. Liu Guowei, delivered a speech at the event

GAINING SOCIAL RECOGNITION

- The United Nations Global Compact (UNGC) launched the Release Conference of "20 Case Examples of Private Sector's Sustainable Development in China for 20 Years". Master Kong stood out with its "Low-carbon Innovation in Food & Beverage Product Development", showcasing the brand's strength and sense of responsibility in China's journey towards high-quality development to the world.



▲ Release Conference of "20 Case Examples of Private Sector's Sustainable Development in China for 20 Years"



▲ Selected for the 2024 Fortune China 500 List

- Leveraging the Company's leading position in the industry and good market reputation, the Chief Financial Office of Master Kong focused on digital financial innovation and development, actively promoting financial innovation and upgrades. It was awarded the title of "Value Cooperation Partner (价值合作伙伴)" by China Merchants Bank for 2024, and the "Excellent Star Award (卓越星秀奖)" at the 2024 Digital Industry Chain Financial Industry Summit hosted by MYbank.



▲ The Chief Financial Office was Awarded the Title of "Value Cooperation Partner (价值合作伙伴)" and the "Excellent Star Award (卓越星秀奖)"

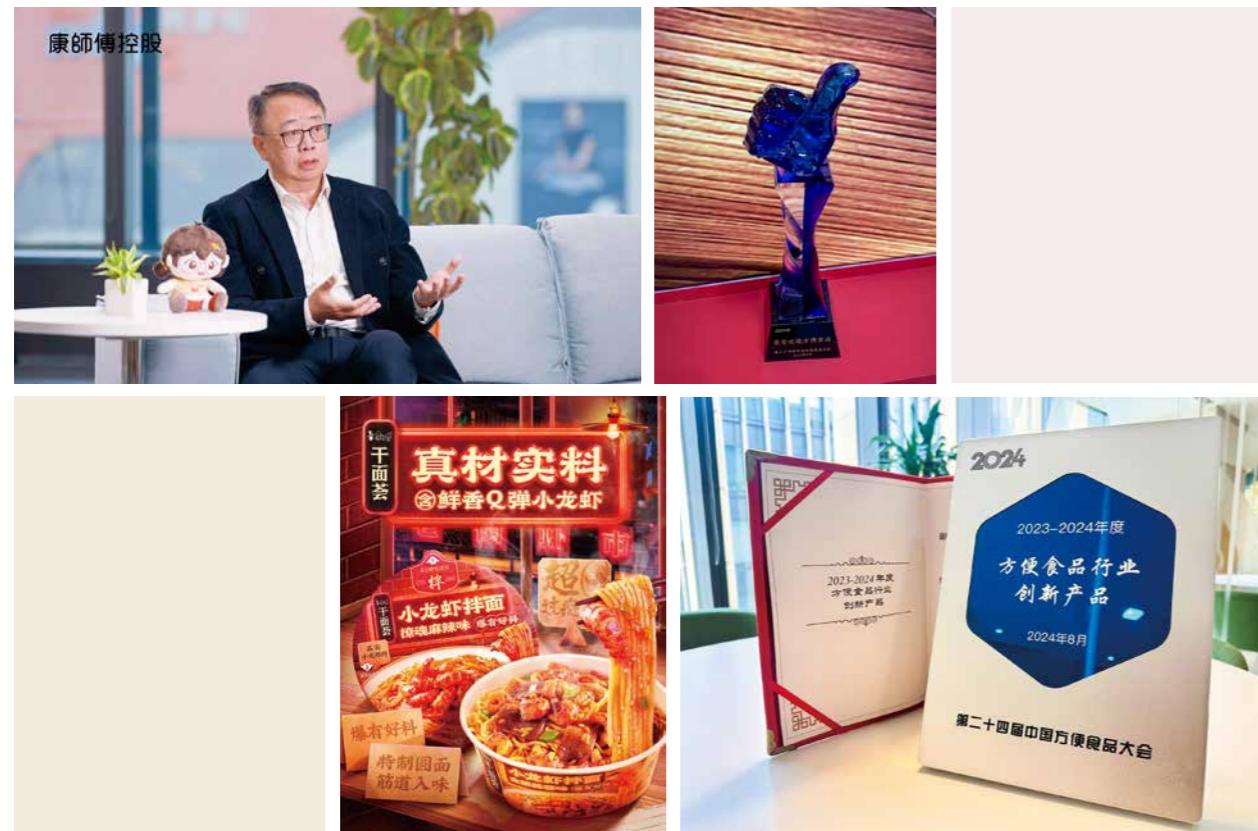


▲ Master Kong was Honoured with Two Forbes China 2024 ESG Awards

- Master Kong was honoured with the "Forbes China 2024 ESG 50" and the "Forbes China 2024 Annual Inspiring Case Relating to ESG" for its remarkable achievements in product innovation and packaging, green production and operations, and exploration of sustainable development.
- Master Kong was honoured with the "Leading Champion Award of ESG 50 Most to Expect List in China (中国ESG 50最值得关注榜—领军企业奖)" by Bloomberg Green, once again demonstrating its outstanding performance and leadership in the fields of environmental, social and governance (ESG).
- Master Kong has ranked among the top three of Kantar Worldpanel's Most Chosen Brands in China for 12 consecutive years with its exceptional brand strength and development wisdom.
- Master Kong actively showcased its green and low-carbon achievements in the Energy Conservation Week themed exhibition area at the 2024 Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements, advocating for green production and lifestyle to the society, and was awarded the title of the "Moving Towards Greenness (向绿而行)" by the organisers, the Council for the Promotion of International Trade Shanghai and Shanghai Energy Conservation Association.
- Master Kong was honoured with the "China Energy Conservation Association Innovation Award—Energy Conservation and Emission Reduction Science and Technology Progress Award (中国节能协会创新奖—节能减排科技进步奖)" (Outstanding Enterprise in Carbon Neutrality) for its outstanding performance and positive contributions in the field of carbon neutrality.
- Master Kong was honoured with the "2024 China Light Industry Digital Transformation "Pacesetter" Cases -Digitalisation Empowering Green Development (2024年中国轻工业数字化转型「领跑者」案例—数字化助力绿色发展方向)".
- Master Kong won high recognition in the industry and was awarded the title of the "2024 China Brand Innovation Case (2024中国品牌创新案例)" by People's Daily for its continuous innovation and infusion of new development momentum into the Brand.
- "Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development (万物皆有yuán)", through the integrated application of its entire value chain in the ESG area, was selected for case collections such as "2024 Environmental, Social and Governance (ESG) Annual Case (2024环境、社会及治理(ESG)年度案例)" by People's Daily, "New Quality Productive Forces Development Case" by XINHUANET, "2024 China Green Point (CGP) | Sustainable Practice Annual Case (2024绿点中国 | 可持续实践年度案例)" by Yicai, and the CGP 2024 Sustainable Development Yearbook (绿点2024可持续发展年鉴), and won awards including the "ROI Award" at the 17th ROI Festival (第十七届金投赏国际创意节「金投赏」), "Southern Weekly 2024 Low-Carbon Pioneer (南方周末2024年度低碳先锋)", and the "Ram Charan Management Practice Award" for Corporate ESG (拉姆·查兰管理实践奖企业「ESG实践奖」) by Harvard Business Review.
- The Head of Public Relations at Master Kong was recognised by the organising committee of the Golden Flag Award and joined its judging panel, becoming a prominent leader in corporate brand sustainability.



ACHIEVING EXTENSIVE RECOGNITION IN PRODUCT R&D AND INNOVATION



▲ "Dried Noodles Collection" won the "Instant Food Innovative Product in the Year of 2023-2024 (2023-2024年度方便食品行业创新产品)" and the "Most Popular Instant Food (最受欢迎的方便面食品)"

- At the "24th China Instant Food Conference" hosted by Chinese Institute of Food Science and Technology, the "Dried Noodles Collection" series of products won the "Instant Food Innovative Product in the Year of 2023-2024 (2023-2024年度方便食品行业创新产品)", earning consumer favour and industry recognition through its high quality and innovations that better meet consumer needs. During the tasting and selection process, Master Kong's instant noodles, "Dried Noodles Collection - Crayfish Mixed Noodles", received unanimous praise for its innovative flavour and smooth texture, and won the "Most Popular Instant Food Award (最受欢迎的方便食品奖)". Master Kong's "InheriTea" original-flavour tea beverage and "Infinite Energy" electrolyte water were selected for "SO HEALTH Nutrition and Health Food Innovation Top 100 List (SO HEALTH营养健康食品最具创新力TOP 100榜单)" by the China Health Care Association.



▲ "SO HEALTH Nutrition and Health Food Innovation Top 100 List (SO HEALTH营养健康食品最具创新力TOP 100榜单)"

ACTIVELY TAKE SOCIAL RESPONSIBILITY

- Master Kong Beverage Business, in collaboration with the government, launched the "the Benevolent Find Joy in Water" public welfare water project. By leveraging the purity and fluidity of "water", the source of life, the project built a bridge for charitable donations, extending care and support to the autism community. Master Kong was fully involved in the bottle labelling, packaging, and production of the "the Benevolent Find Joy in Water" bottled water and donated 10% of the sales volume of this bottled water, demonstrating its commitment to social responsibility and corporate accountability through practical actions. This public welfare activity not only provided substantial assistance and support to the autistic community, but also advocated the concepts of care, acceptance, and integration across society, showcasing the Company's sense of social responsibility and humanistic care.



▲ "The Benevolent Find Joy in Water" Public Welfare Water Project

- Master Kong engaged in deep collaboration with the 2024 Guizhou Wanfenglin Police Half Marathon, supporting the cultural and tourism industry in Southwestern Guizhou by hosting the large-scale marathon event and contributing to advancing higher-level rural revitalisation.
- During the blizzard in Hubei, Master Kong donated food and beverage supplies to drivers and passengers stranded on the Hubei Expressway, warming the way home for every stranded person.



▲ 2024 Guizhou Wanfenglin Police Half Marathon

▲ Hubei Blizzard Assistance



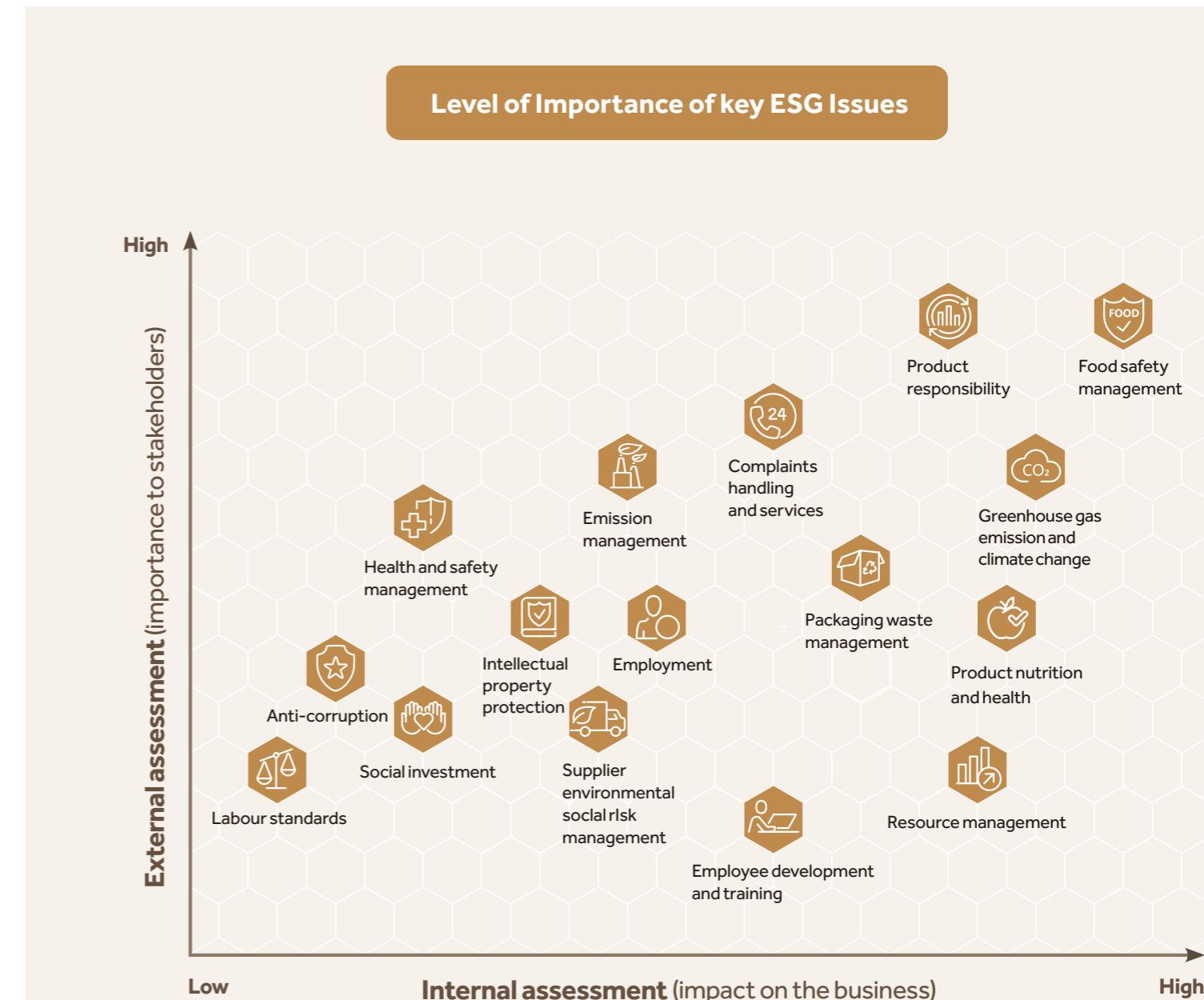
STAKEHOLDER COMMUNICATION AND KEY ISSUES MATERIALITY ASSESSMENT

“ Through continuous communication with various stakeholders through different channels according to relevant systems and processes, Master Kong actively understands the expectations and requirements of our stakeholders and strives to meet their needs in a practical manner while developing our business. In 2024, we reviewed the importance of each key ESG issue to our business development and to our stakeholders. ”

Descriptions of Stakeholders	Communication Channels and Responses
Shareholders and Investors	Domestic and overseas legitimate equity and debt investors to Master Kong
Employees	Personnel who sign a formal employment agreement with the Company and who serve the Company on a regular basis
Distributors (including clients)	Companies, stores or individual businesses that legally distribute various branded products of Master Kong
Suppliers	Companies, stores or individual businesses that legally supply production materials, accessories and office supplies to Master Kong
Government and Agencies	Local government departments and food, taxation, environmental protection, safety, the SFC and other regulatory agencies
Media	Newspapers, TV stations, Internet companies and other media agencies that have established legal partnerships with Master Kong
Communities and the Public	Local communities, the public, non-profit organizations, etc.
Universities and Research Institutions	Universities, colleges and research institutes partnering with Master Kong

Master Kong has integrated analysis of material ESG issues into its existing risk management system and perform regular assessment on these issues. In 2024, we reviewed the importance of each key ESG issue to our business development and to our stakeholders.

- Issue screening: We identified 16 issues based on criteria such as regulatory policies, corporate strategies, industry trends, peer and social concerns, and potential risks and opportunities.
- Issue investigation: We developed a questionnaire on material ESG issues and invited internal and external stakeholders, including shareholders, investors, employees, distributors and customers, to participate in the survey.
- Issue analysis: Based on the survey results, we established a material issue analysis matrix of internal and external assessment to determine the priority of ESG issues.





TOPIC: EMBRACING SUSTAINABLE DEVELOPMENT TO UNLOCK AND ELEVATE CORPORATE VALUE

In 2025, Master Kong was included in the *Sustainability Yearbook (China Edition)* published by S&P Global, one of the world's three major rating agencies, and selected as the only "Industry Mover" in the food and beverage sector. This achievement marks a new milestone in the Company's sustainability journey.





▲ Master Kong was Included in S&P Global 2025 Sustainability Yearbook (China Edition)



▲ Head of Corporate Engagement for Greater China Region at S&P Global Sustainable1 (left), and Mr. Richard Chen, Chief Executive Officer of Master Kong (right)

Keep Our Nature Green

Reflecting on its journey, Master Kong has integrated the sustainable development concept of "Keep Our Nature Green" into every aspect of its corporate strategy, products, and operations. This spans upstream agricultural practices, digitalised production, cross-sector partnerships, and other areas. By collaborating with cross-industry partners and driving innovative initiatives, the Company has established a virtuous cycle of sustainable development, achieving high-quality growth.

We have deeply embedded low-carbon principles into upstream agricultural practices, prioritising the creation of a sustainable ecological barrier to achieve zero environmental pollution and ensure the quality of products at source. In 2024, the Company launched "Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development", establishing multiple "environmentally friendly vegetable bases" in areas such as Kangba Nuo'er area of Kangbao County of Hebei Province, Shenmu, Shaanxi Province, and Kashgar, Xinjiang Province. These efforts support collaborative development with competitive rural industries. Each year, Master Kong purchases millions of tonnes of agricultural products, directly benefiting over 40 million farmers.

Driven by both global green transition and consumption upgrading, we are actively implementing energy-saving, emission-reduction, and low-carbon initiatives across our

production operations and product design. Master Kong's waste heat recovery technology for frying oils has been deployed across 122 production lines, reducing annual carbon emissions by 30,000 tonnes. Compared to traditional refrigerators, AIOT-enabled smart refrigerators reduce energy consumption and energy-related carbon emissions by more than 40%, effectively assisting downstream partners in cutting energy use and carbon output. The number of these smart refrigerators has now expanded to 1.3 million, and it is planned to achieve 100% coverage by 2030. From 2017 to 2024, Master Kong reduced comprehensive energy consumption per million of sales by 19.04%, and decreased greenhouse gas emissions per million of sales by 27.44%. We have also reduced plastic usage and water consumption, setting a replicable example of green manufacturing for the industry. The Company is actively exploring innovative approaches to waste resource recovery and collaborating with partners to develop new low-carbon technologies. We convert waste oil into degradable bio-based material PHA as a substitute for single-use plastics, thereby reducing plastic pollution and cutting carbon footprint by 45%. This material has undergone successful trials and can be applied in the production of low-carbon, customisable furniture. In partnership with others, we have also introduced biodegradable PLA 3D printing material incorporating tea residue, promoting material circularity and reducing both material waste and carbon emissions.

To engage consumers and promote the concept of sustainable development, Master Kong continues to develop and launch responsible products anchored in "health" and "low-carbon" principles. In 2024, following the launch of China's first label-free beverage and the first carbon-neutral tea, we introduced our premium carbon-neutral tea beverage "InheriTea". Aligned with health trends, we have consistently expanded our portfolio with innovations such as the "Express Chef's Noodle" series, the non-fried noodle series "Fresh Q Noodles", "Sugar-Free/Low-Sugar Oolong Tea", "InheriTea sugar-free tea", "GATORADE Low Sugar", as well as wellness-oriented offerings like "Cassia Seed and Barley Drink" and "Goji Berry and Chrysanthemum Tea". These products reflect our commitment to health through innovation, meeting growing public demand for healthier options. Furthermore, to encourage more consumers and channel partners to participate in low-carbon initiatives, our "Drink Boiled Water" product adopts an eco-friendly design with no label, no ink, and no adhesive, simplifying the recycling process and saving water during cleaning.

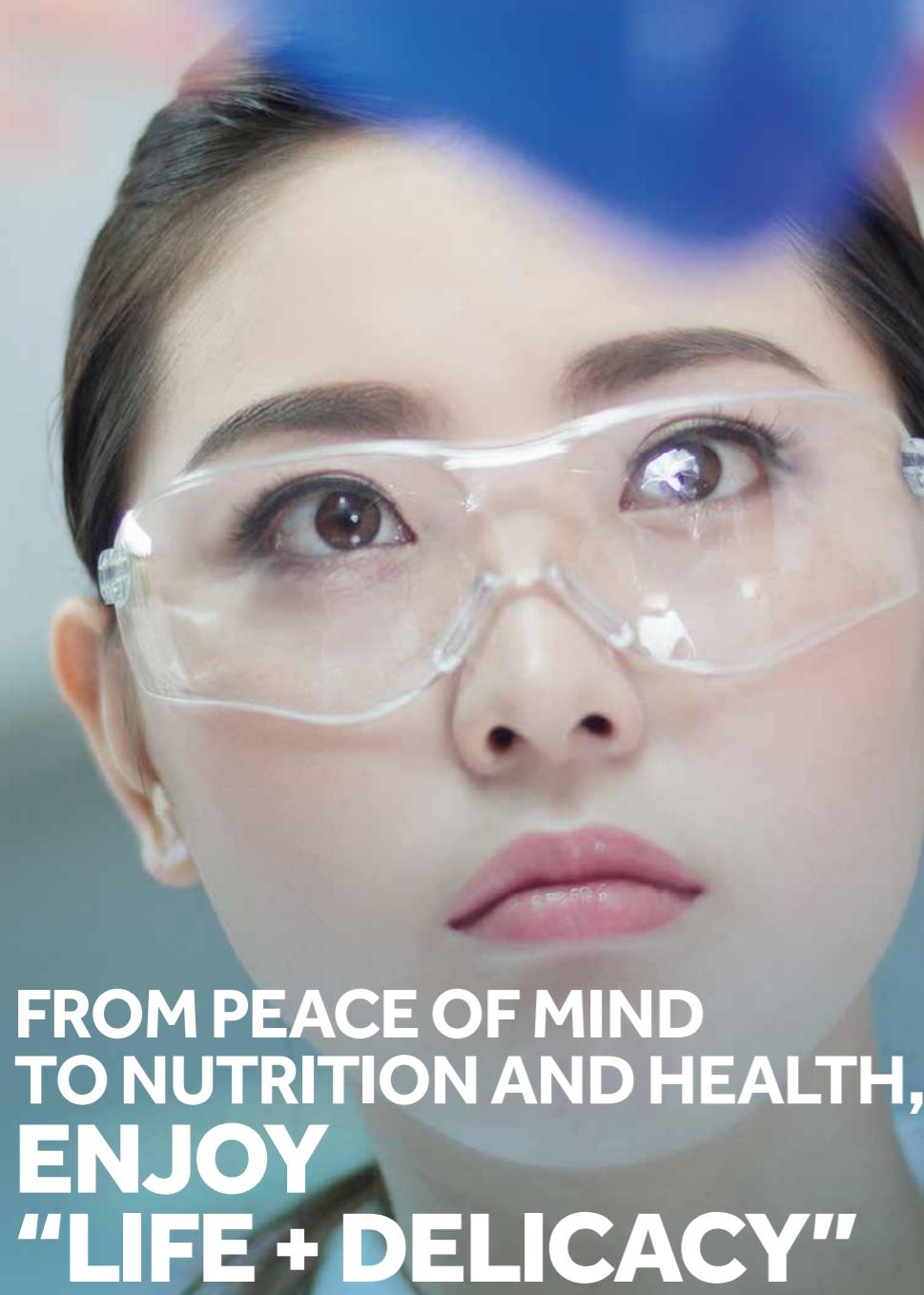
To help the public better understand sustainable development, Master Kong has launched the video channel "Master Kong Coming" dedicated to science popularisation, producing humorous short videos that integrate knowledge about sustainability. Moving forward, the channel will continue to release diverse educational content, sharing Master Kong's practices in green manufacturing, public welfare initiatives, and compliant operations. These efforts demonstrate our commitment to responsibility and sustainable development, while spreading positive energy.



▲ Master Kong's Video Channel

From conceptualising principles to implementing actions, Master Kong's sustainability practices begin within the Company and extend to every link of the industrial chain, carving out a distinctive path through its unique brand approach. By leading with concrete examples, Master Kong sets an example for the industry, continually creating new value around "LIFE + DELICACY" for consumers, and showcasing to the world the solutions and innovative power of Chinese enterprises in sustainability.





**FROM PEACE OF MIND
TO NUTRITION AND HEALTH,
ENJOY
“LIFE + DELICACY”**

Master Kong regards food safety as the foundation and prerequisite for “Promoting Chinese Food & Beverage Culture”. Through our expertise and advanced equipment, we uphold aerospace quality to ensure product quality from farm to table, guaranteeing the safety of every bite for consumers.

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FOOD SAFETY CONTROL AND CONSTRUCTION

The Company deeply recognises that "food safety is the foundation of corporate sustainability" and "food safety" is the foundation to build customers' brand trust. In compliance with the *Food Safety Law of the People's Republic of China* and other laws and regulations, we place consumers at the centre of our operations, adhere to a "zero tolerance" approach towards food safety risks, and are committed to enhancing our risk management by improving the ethics and professionalism of our staff and strengthening our product process management, striving to promote the construction of a "Healthy China". In this connection, we have been making continuous efforts in the following areas to continuously improve Master Kong's food safety management:

1 Increase investment in the area of food safety

Master Kong has invested RMB 500 million in the establishment of the Innovation R&D Centre, which includes a professional food safety and quality control team of approximately 1,900 people and has been accredited by China National Accreditation Service for Conformity Assessment (CNAS). The Company conducts food safety monitoring across the entire industry chain through measures including external inspection of raw material suppliers, food safety assessment inspection, inspection of incoming raw materials, production process inspection, inspection of finished products, and market sampling of products, with over 1,500 food safety risk monitoring indicators and over 3.5 million quality tests per year. In 2024, the Company focused on strengthening food safety management for suppliers and product quality stability in the factory, raw material risk research (grease), raw material authenticity research, and the development of rapid inspection technology, etc., while using high-quality research resources at home and abroad to promote high-end research and development of food safety technology and the transformation of research and development results, in order to continuously improve the food safety level of the industry.

2 Improve the internal food safety management system

The Company actively introduces third-party consultant resources to improve the authority and credibility of laboratory data of Food Safety Research and Management Centre, strengthens the basic skills trainings of front-line monitoring personnel and increases the monitoring frequency of product quality indicators, and promotes the review of Master Kong's own standard "K-GMP" (Good Manufacturing Practices) to further consolidate the construction of food safety and quality management system. The Company establishes and gradually optimises the food safety management structure and closely cooperates with the inspection and application research group, the prevention management group, the access management group, the food/beverage audit group and the system integration group to realise the whole-chain management and whole-process supervision of the food safety system.



**RMB
500 million**

Master Kong has invested RMB 500 million in the establishment of the Innovation R&D Centre

1,900

A professional food safety and quality control team of approximately 1,900 people

K-GMP
Good Manufacturing Practices

3 Product traceability and recall management

Master Kong formulates the *Management Measures for Retrospective Withdrawal of Products* for each business, tracing various factors in the production process, promptly recovering products with quality defects and analysing the causes, and working out targeted improvement countermeasures to improve product quality. Each business treats the withdrawn products as scrapped products according to the Company's regulations and reports to the local market supervision and management department. The Company also cooperates with suppliers and customers to strengthen the construction of product retrospective withdrawal management system under the guidance of professional organisations. In 2024, the Company collaborated with third parties² to strengthen its upstream and downstream traceability capabilities and initiate pilot projects under the guidance of experts. Each factory of Master Kong carries out at least one retrospective recall drill every year and evaluates the results of the drill. For the Instant Noodles Business, 14 factories launch the MRP traceability system to achieve information digitalisation of the traceability system. During the year, the Instant Noodles Business applied a WMS (Warehouse Management System) in pilot factories to continuously improve traceability accuracy, enabling batch recording throughout the entire process from raw material inbound, outbound, issuance, requisition, to semi-finished product storage. In 2024, the Master Kong Beverage Business and the Pepsi Beverage Business launched a digital traceability system, significantly enhancing the efficiency of monitoring and management across the product's

entire lifecycle. The Bakery Business developed the *Product Recall Control Procedures and Product Traceability Operation Methods* based on its own product features to achieve the traceability of food safety information in forward and reverse directions, the controllable processes and the accountability. Currently, Master Kong has achieved transparency in the flow of raw materials and finished products. In 2024, there were no product recalls for safety and health reasons in products sold or shipped.



4 Promote the construction of the digitalisation system of food safety

Master Kong penetrates digital technology into the factory operation and establishes the information management system. In order to secure the effective implementation of protection for food safety, Master Kong has launched digital information systems such as Laboratory Information Management System (LIMS), Product Lifecycle Management (PLM) and Business

Intelligence (BI), and monitored the entire factory area and production process. In addition, Master Kong collaborates with external professional organisations to jointly develop the "Detecting Oil in Oil Tanks by Using Near-Infrared Analysis Technology", further promoting digital construction, in order to ensure the oil quality control in the production process.

5 External cooperation to improve social food safety governance

Master Kong continues to cooperate with external professional institutions and universities on food safety, product application development, process optimisation and food safety risk research, helping to improve the level of social food safety governance. The Company sets up Shanghai Instant Food Engineering Technology Research Centre to undertake food safety testing, research and development, scientific trainings and provide authoritative and impartial third-party services to the society. Relying on this platform, Master Kong makes use of quality academic resources at home and abroad to promote the high-end R&D and the results transformation of food safety technology, and actively provides useful references for the formulation and amendment of national

food safety standards. We continue to collaborate with external professional sensory evaluation companies and laboratories to establish Master Kong's key odour profiles for tea beverages and water, and to provide sensory evaluations and physicochemical proficiency testing services for carbonated and non-carbonated products at Pepsi Beverage Business' factories. We also cooperate with external professional organisations on microbiology projects, including microbial strain identification for spoilage products, microbial identification in natural mineral water plants, microbial proficiency testing, and professional skills trainings for microbial analysis personnel, to continuously improve our team's microbiological testing and analytical capabilities.

²Third parties refer to the enterprises that are specifically responsible for manufacturing and processing the products using their own production equipment and all the materials required for production provided by the customer, which are then delivered to the customer and sold through the customer's trademark and channels.



6 Emphasis on food safety talents training

Master Kong selects outstanding graduates from key universities across the country with a major in Food Science and Safety, focuses on increasing the proportion of composite talents in digitalisation and other fields, and provides those outstanding graduates with special trainings in areas such as food safety standards and regulations, analysis and testing, risk monitoring and assessment auditing. The Company engages quality control managers from factories across the country and strengthens the cultivation and reserve of talent pipelines through local selection and cultivation as well as gaining experience at the headquarters.

In terms of empowering cadres, the Company enhances the food safety management capabilities and skills of the leadership team through performance incentives, management training, assessments for the food safety director, and guides staff in the supply chain departments and quality control departments of each business to implement the "food safety first" concept in their work, so as to achieve the goal of overall food safety management.

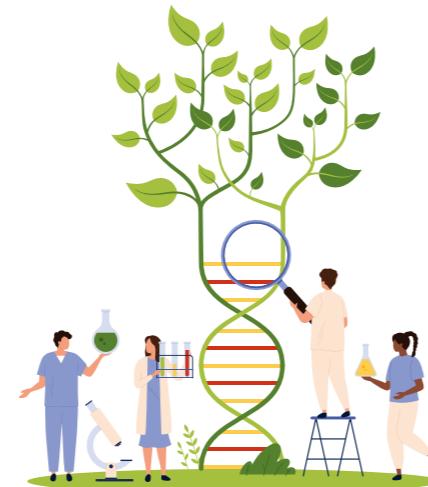
7 Enhance the food safety awareness across the industry chain

Master Kong focuses on driving upstream and downstream partners and consumers to enhance food safety awareness in a lateral way. We have held the food safety publicity month theme campaign for 11 consecutive years. During the year, based on the theme of "Practice Frugality and Integrity to Safeguard Food Safety, and Boost New Consumption Vitality/Practice Frugality and Integrity to Safeguard Food Safety, and Achieve High Quality Development for a Brighter Future", we held various activities including food safety knowledge competitions, food safety-themed painting activities, and visits to transparent factories. We invited regulatory authorities, upstream suppliers

and others to participate in food safety quality activities, and carried out traceability drills in collaboration with suppliers to continuously strengthen food safety risk investigation. We also went out into communities, supermarkets and schools to conduct food safety science popularisation, and continued to build "transparent" factories to achieve visible food safety quality. During the year, the Instant Noodles Business led 56 suppliers to carry out traceability drills and 75 food safety quality activities, and Master Kong Beverage Business and Pepsi Beverage Business together held more than 740 food safety month theme activities.

8 Food safety management system certification

In 2024, all normal operation factories³ of the Instant Noodles Business were certified under the FSSC 22000 (Food Safety Certification System)/ISO 22000 (Food Safety Management System) and maintained good operation of the food safety management system. The Instant Noodles Business continued to improve its food safety system according to AIBI International's *Consolidated Standards for Inspection-Prerequisite & Food Safety Programs*, based on which one pilot line in each of 13 factories were progressively implementing, which further reduced the food safety risks in the production of instant noodles. Jiangmen plant of the Instant Noodles Business was certified under the food safety system of the Hazard Analysis Critical Control Point (HACCP), which effectively identified and controlled the hazard factors that may exist in the production process, thereby improving the level of food safety. In 2024, Tianjin, Zhengzhou, and Shenyang plants of the Instant Noodles Business were awarded the titles of "2024 Outstanding Enterprises in Food Safety and Quality (2024 年食品安全与质量优秀企业)" "Zhengzhou City's Model Units for Reassuring Consumption (郑州市放心消费示范单位)" and "Outstanding Enterprises in Liaoning Province for Implementing Food Production Main Responsibility (辽宁省落实食品生产主体责任优秀企业)", respectively. All factories of Master Kong Beverage Business and Pepsi Beverage Business in normal operation were certified under ISO 22000, FSSC 22000 and HACCP, among which 59 plants of Master Kong Beverage Business and 32 Aquafina plants were annually certified by the National Sanitation



Foundation (NSF). The production lines which produced PepsiCo products in 34 plants of the Master Kong Beverages Business and 9 plants of the Pepsi Beverages Business participated in and successfully passed the AIBI inspection by the end of 2024. In 2024, Guangzhou plant of Beverage Business was awarded the title of "Outstanding Enterprises in Huangpu District for Implementing Main Responsibility in Food and Food-Related Product Production (黄埔区食品及食品相关产品生产落实主体责任优秀企业)". The plants of the Bakery Business obtained ISO 9001 (Quality Management System) and ISO 22000 certifications, and maintained a normal operation of the quality management and food safety management systems and passed the system supervision and audit in 2024.

³Normal operation factories are factories that operated for over 6 months during the year without production halted/shuttered businesses.

PUBLICITY AND IMPLEMENTATION THROUGH FOOD SAFETY AND QUALITY ASSURANCE TRAININGS

In order to improve the food safety awareness of all staff and strengthen fostering quality and food safety culture, we carry out the food safety and quality assurance trainings for all quality assurance staff at least once a year, covering food safety laws and regulations, quality management skills, food inspection skills, supplier quality audit, product process and quality control, new product process management, food proactive recall and emergency management, etc., and conduct food safety knowledge competitions, job skills competitions, quality improvement proposals and other activities.

Master Kong carries out product safety and quality assurance trainings for all suppliers every year, including supplier conferences, food safety publicity month activities, online video trainings, email advocacy, etc. During the year, each business carried out special quality trainings for subdivision suppliers, including:

For the Instant Noodles Business.	Trainings on establishing traceability management requirements for agricultural products were carried out for 15 agricultural product suppliers and 40 upstream suppliers, covering base selection, pesticide management, raw material harvesting, transportation protection, key control points for foreign matter control during processing, and the establishment of a separate file for each pickling pool, etc. Special training on quality management was also carried out for the on-site staff of suppliers. The Food Safety Month activities were conducted for 56 suppliers of dehydrated vegetables, pickled vegetables, fresh vegetables, seasonings, edible oils, and food contact materials, with 75 events held including food traceability drills, skill competitions, food safety knowledge competitions and food safety hidden dangers investigation, attracting approximately 1,900 participants. 8 supplier meetings were held according to key raw material categories to review the quality performance and the findings from audits and coaching for the year 2024, promote Master Kong's latest food safety quality management requirements, provide empowerment training on key points of food safety control for plasticisers and other substances during the production process, and invite benchmark suppliers to share their leading practices in foreign matter management and base control.
For the Master Kong Beverage Business and Pepsi Beverage Business	Suppliers were informed of newly issued national food standards, as well as the Company's latest policies, systems and requirements via on-site training, online video training and email communication. In 2024, we provided trainings on strengthening food safety prevention management mechanisms for raw material suppliers; provided trainings on AIBI inspections to some agricultural product suppliers, white granulated sugar suppliers and fructose suppliers, etc.; promoted new national standards of GB 4806 series to food contact material suppliers; organised pest management trainings for suppliers of agricultural products and white granulated sugar; publicised tanker transportation standards to suppliers of fructose and plastic particles; and carried out food safety publicity for raw material suppliers.
For the Bakery Business	The Company provides the on-site traceability counselling for suppliers in terms of the on-site management, raw material management and supplier management every year, ensuring that all suppliers are covered every three years, and carries out the on-site traceability supervision for key raw material suppliers every year. It conducts unannounced inspections for key suppliers every quarter to identify and evaluate their daily management and communicate with and provide trainings on identified weak aspects in management. Meanwhile, we identify raw materials with high food safety risk every year, conduct food safety indicator testing on related raw materials every quarter, and provide counselling for and communication with suppliers with high raw material risk to improve their quality control awareness and risk management capabilities.

In 2024, we engaged in multi-dimensional cooperation with international partners in the field of food safety, jointly promoting the improvement of global food safety standards and practices. To provide safe and delicious food for overseas consumers, the Company worked with external organisations such as Société Générale de Surveillance (SGS) to discuss and confirm food safety control standards for export products. We also conducted food safety cultural exchange and visit activities with key customers, enhancing all parties' awareness of the importance of food safety and improving the food safety management through experience sharing and interactive exchanges.



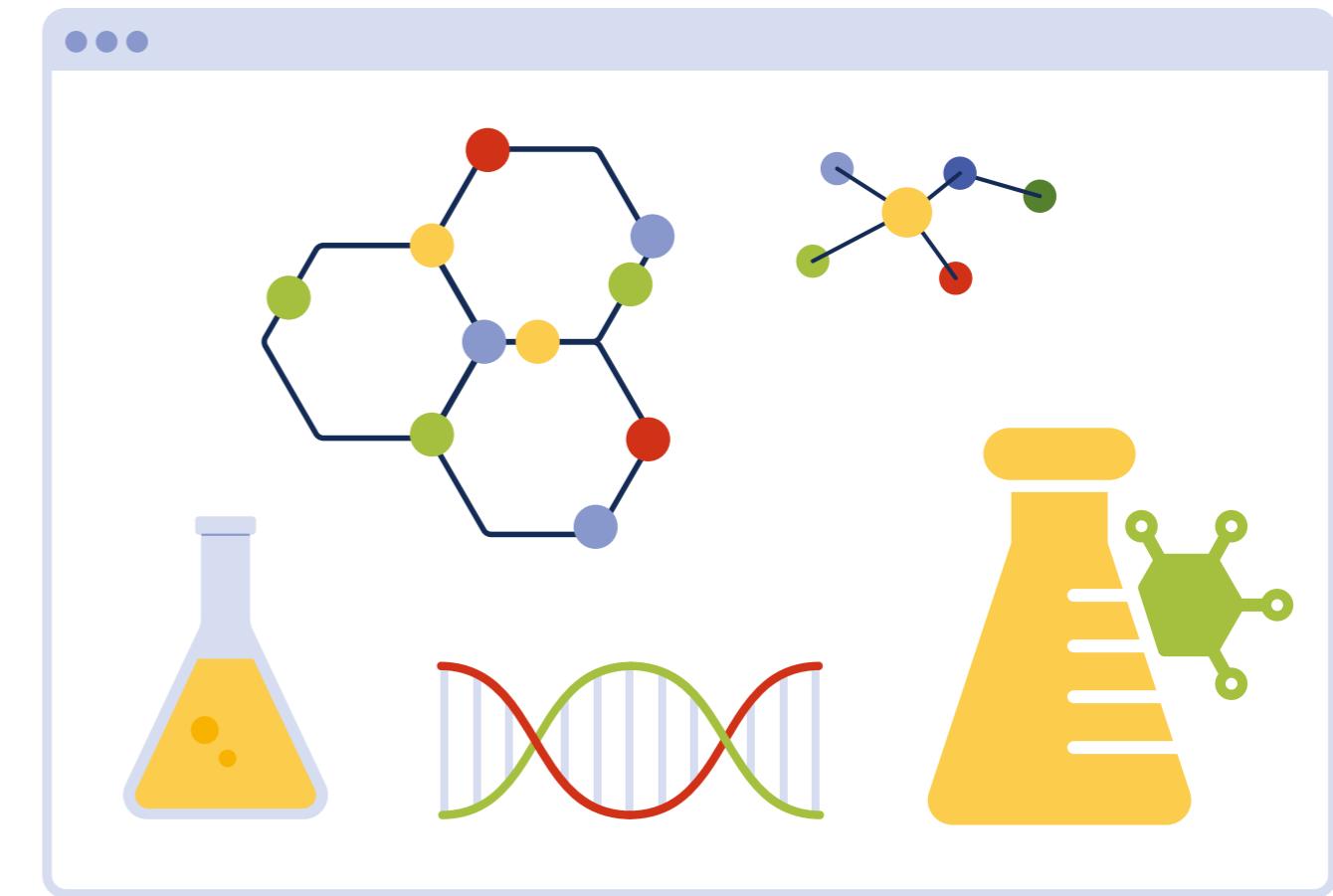
HEALTH AND NUTRITION PRODUCT DEVELOPMENT AND EXPANSION

China highly values the health of the people and prioritises it in its development strategy and sets the visionary goal of building "Healthy China" by 2035. As a leading company in China's food and beverage industry, Master Kong is committed to meeting the needs of Chinese consumers for healthy diet. Through its own R&D technology breakthroughs and innovations, Master Kong constantly increases the added value of health products, achieving the leapfrog and upgrade of its own products from convenience to delicacy followed by health.

Master Kong Central Research Institute focuses on the research and development and innovation of food safety and quality, health and nutrition and process optimisation, etc., and constantly increases the R&D investment in health and nutrition products. Master Kong has set up the "Instant Noodles R&D Centre", "Beverage R&D Centre" and "Basic Research Department", and maintains ongoing collaborations with external professional institutions such as Jiangnan University and Henan University of Technology to conduct in-depth research and development of sugar-free, low-fat, nutritional and health products. For example, adding ingredients such as sugar alcohol/buckwheat starch to dry instant noodles to reduce the oil content in fried noodles by approximately 2%. The addition of hydrolysed soy protein, coupled with leveraging the Maillard reaction that occurs during the frying process of dry instant noodles, effectively inhibits the rise in the GI value while ensuring that the quality of the noodles remains unaffected. In addition, a product nutrition evaluation model is established to further optimise product formulas and enhance the nutritional value of products. The Company has also held four technical exchange meetings with suppliers to exchange the new trends of global sugar reduction technologies, and actively developed the Stealth Sugar Reduction Technology⁴ for beverage development. We have actively engaged with leading international/domestic vitamin manufacturers and held cooperation and exchange meetings to scientifically design product formulas. In addition, we attach importance to the training of health and nutrition R&D talents, and actively reserve talents. During the reporting period, 15 R&D personnel in total worked on health and nutrients, and the R&D team of Master Kong will be expanded in the future.

During the year, Master Kong officially published the "Nutrition and Health Policy" on its official website, thoroughly implementing national nutrition and health policies such as the *National Nutrition Plan (2017- 2030)* and deeply integrating the concept of nutrition and health into R&D and production processes including product design, innovation and upgrading, and technical cooperation, to promote the deep integration of health and products. Master Kong has fully implemented the transformation of R&D achievements by refining and improving the formulas of over 100 products including the "Classic Series", and actively advancing the reduction of sugar, oil and sodium, as well as minimizing artificial ingredients in products while increasing the addition of natural and nutritional ingredients. In Shenmu, Shaanxi Province, we establish an "Environmentally Friendly Vegetable Base" and work with raw material suppliers and Academy of Agricultural Sciences to convert waste coal slime into organic fertiliser by utilizing coal slime bio-fermentation technology, thereby improving soil fertility and reducing the demand for chemical fertilisers during the process of agricultural production and planting. In the experimental fields of Kangba Nuo'er area of Kangbao County of Hebei province, we assist local farmers in farming with the concepts of circular agriculture and technological innovation. By using advanced yeast (microbial) fermentation technology, we accelerate the conversion of organic fertilisers, reducing the use of artificial fertilisers in the cultivation of raw materials.

In terms of the R&D of instant noodles, Master Kong actively responds to the "Three Reductions and Three Kinds of Health (三减三健)" campaign by implementing the concepts of salt reduction, oil reduction, and low fat into product research and development, with a focus on increasing protein content while retaining more vegetable nutrients and dietary fibre. Through process adjustments and formula refinements, we have reduced the use of over 10 additives, further enhancing the health attributes of our products. In addition, the Company has launched new nutrition and health products, including the "Express Chef's Noodle (速达面馆)" series and non-fried noodle series "Fresh Q Noodles" to meet consumers' dual demands for nutrition and health. The "Express Chef's Noodle"



products use innovative low-fat fried-free technique, with the fat content of dry instant noodles per 100 g lower than 1 g, meeting the requirements of the national standard for low-fat dry instant noodles. The product largely increases content of protein with more green vegetables and dietary fibre retained. The total amount of dietary fibre contained in a bucket of "Express Chef's Noodle", accounts for approximately 40% of the daily reference intake of dietary fibre of Chinese residents. Furthermore, one product of "Express Chef's Noodle" meets the scientific ratio of the three major nutrients, namely protein, carbohydrates, and fats, ensuring a balanced energy supply from these nutrients.

In terms of beverage R&D, the Company focuses on the development of sugar-free, low-fat products to provide consumers with healthier beverages. During the year, we launched sugar-free and low-sugar products such as "Sugar-free/Low-Sugar Oolong Tea", "InheriTea sugar-free tea", "GATORADE Red Grapefruit and Lime Electrolyte Sports Drink", "GATORADE Low Sugar", as well as wellness-oriented offerings like "Cassia Seed and Barley Drink" and "Goji Berry and Chrysanthemum Tea", and other low-fat and zero-fat drinks such as "Xiao Lao Duo Duo Lactobacillus Beverage (小酷多多乳酸菌味饮品)", which significantly enhanced their health attributes while retaining their taste and quality.

In terms of Bakery R&D, we will fortify calcium and other nutrients, enhance dietary fibre content, and reduce sugar and fat to ensure balanced nutrition in our products.

In addition, Master Kong closely cooperates with government departments such as the General Administration of Sport of China to deliver the first batch of customised products for winter sports, ensuring the purity and safety of the food through 248 anti-doping tests and 7 food safety inspection procedures. In 2024, Master Kong cooperated with the research team led by Professor Wang Shuo from Nankai University in scientific research on the nutritional and health characteristics of instant noodles and the health benefits of sugar-free tea, and published 3 papers in internationally renowned journals. In February 2025, Master Kong participated in the Boao Food for Health Science Conference and Expo chaired by Academician Chen Junshi. At the conference, taking "Express Chef's Noodle" and "InheriTea" as examples of healthy foods, it demonstrated the direction of innovation and upgrading in terms of nutrition and health of instant foods.

Master Kong is committed to developing "small but beautiful" products to meet the needs of consumers in pursuing a "healthy diet and exquisite life". Our products of smaller packs include the "Mini Bucket" instant noodles with a capacity of 60% of the conventional capacity, as well as mini bottles of "Master Kong Pure Sugar-free -Yunwu Green Tea" (350 mL) and mini bottles of "Master Kong Pure Sugar-free - Jasmine Tea" (350 mL). During the year, the Company launched the non-fried noodle series "Fresh Q Noodles" in small cup portions, 310 mL small cans of Iced Tea, and 330 mL Sugar-Free Oolong Tea, enabling consumers who prefer smaller portions to enjoy the high-quality products of Master Kong while avoiding excessive calorie intake and reducing food waste.

⁴The Stealth Sugar Reduction Technology is an innovative technology that reduces the sugar content in products without affecting the taste, flavour and texture of the food.



▲ "Fresh Q Noodles" in small cup portions



▲ "Soup Chef" series of cup noodles

▲ "Mini Bucket" instant noodles



▲ Iced Tea CAN 310 mL



▲ Sugar-Free Oolong Tea 330 mL



▲ Master Kong Pure Sugar-free Tea Beverage 350 mL

SPREADING HEALTH CONCEPT



▲ Master Kong's "Flavour of the Future Pavilion"

Master Kong is committed to promoting Chinese food & beverage culture and providing consumers with high-quality and diversified food and beverage products to enjoy a healthy lifestyle and lead a better life. We fully support and actively respond to the national nutrition and health policy, and continue to conduct relevant research together with various institutions to meet the needs of different groups of people for nutrition and health, actively advocate the diet concept of reasonable diet and balanced eating and moving, guide consumers to make suitable food choices, and promote a healthy lifestyle for the general consumer population together with the government and industry partners.

The Company adopts the approach of "Go Out and Bring In" to promote food safety publicity activities during the year, aiming to enhance the food safety awareness among participants across the entire industry chain. "Go Out" refers to conducting food safety science popularisation in communities, schools, supermarkets, rural areas, and enterprises. "Bring In" refers to inviting social organisations to the factories for visits and experiential activities, allowing them to closely observe the entire safe production process, including inspection of incoming raw materials, production and processing procedures, outgoing inspection of finished products, packaging and transportation. In addition, "Bring In" also involves inviting external experts to hold specialised lectures on laws and regulations, food safety management methods, and other topics, continuously updating Master Kong employees' concepts of food safety management.

In March 2024, Master Kong was invited by the Tianjin Binhai New Area Administration for Market Regulation (天津市滨海新区市场

监督管理局) to participate in an event themed "Stimulate consumption vitality and optimise the consumption environment". At the event, we popularised food safety knowledge with consumers, boosting consumer confidence in our nutrition and health products. We collaborated with regulatory authorities to complete the production and publication of an online exhibition hall, expanding the reach of food safety popularisation and further promoting the dissemination of food safety knowledge. The Company participated in the filming of a food safety promotional video of XINHUANET, which was released at the Boao Forum for Entrepreneurs, showcasing Master Kong's profound understanding and firm commitment to food safety.

In July 2024, to promote Chinese food culture and spread the concept of nutrition and health, Master Kong's "Flavour of the Future Pavilion", the first instant noodle culture and science popularisation experience hall in China, reopened in Hangzhou. The "Flavour of the Future Pavilion" creates an interactive scientific platform for children that combines education and entertainment, upgrading food industry science from basic knowledge dissemination and brand display to a comprehensive, interactive category knowledge experience. At the same time, Master Kong swiftly establishes itself as the benchmark for Chinese instant noodles in the minds of children. Master Kong's "Flavour of the Future Pavilion" has been awarded various official certifications, including "National Science Popularisation and Education Base (全国科普教育基地)", "Science Popularisation and Education Base of Zhejiang Province (浙江省科普教育基地)", and "Top 10 Science Popularisation and Education Base in Hangzhou (杭州市十佳科普教育基地)".



BUILDING AN HONEST AND HEALTHY COOPERATION RELATIONSHIP TO CREATE “LIFE + DELICACY” TOGETHER

Master Kong ensures stable operations with an honest and transparent approach to business and robust stakeholder relations. We maintain a comprehensive customer service system and conduct marketing in a responsible manner. We continuously strengthen the management of intellectual property rights as well as information and network security to safeguard corporate assets. We improve our anti-corruption management and professional ethics standards while promoting suppliers' ESG capabilities, striving to advance sustainable development across the entire value chain.

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CUSTOMER SERVICES

Master Kong always places the demand of our customers and consumers first. We establish and maintain smooth and diversified communication channels to understand their expectations and aspirations. The Company strictly complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Personal Information Protection Law of the People's Republic of China* and other laws and regulations, and has set up a customer service team to facilitate the collection and follow-up of suggestions, enquiries and demands from customers and consumers. The customer service team has established standardised operating processes such as the *Customer Service Management Procedure*. The team cooperates with the responsible departments to resolve issues raised by the customers, responds to customer within the stipulated timeframe, continuously track and follow up until the case is closed, and then visit customers to understand their level of satisfaction and ensure that the relevant issues are properly resolved. In 2024, in addition to our existing customer feedback channels such as the 400 hotline, corporate website, Sina Weibo, WeChat and e-commerce platforms, we added a complaint channel on Shifutong and extended the service hours of the 400 hotline to provide 24/7 customer service. At the same time, we engaged a professional organisation to conduct customer research on the customer service team's service capability, effectiveness of communication, cooperation fluency, inter-departmental cooperation capability, etc., summarise and collate customers' feedback and suggestions, and assist in the deployment of future work, further enhancing customer satisfaction. During the year, Master Kong received 12,777 customer complaints, with a satisfactory resolution rate of 99.7%. customers from online platform account for approximately 1.8% of the total, while sales through online platform represent about 9.6% of total revenue.



Satisfactory customer complaint resolution rate reached

99.7%

We are also concerned about the protection of information in the process of communicating with our customers and consumers, and protect the privacy of our customers in all aspects. We implement systematic and process-oriented management of the information, set an access limit to customer information and strictly adhere to the principle of confidentiality of customer information. We will sign confidentiality agreements with staff and third-party companies involved in user information and oversee the implantation of such agreements, to ensure the information security of the Company and users. In terms of capturing and recording customer information, each business formulates the *Customer Complaint Information Management Operational Approach*, records only the basic information about the customer and cleans up the important and sensitive information on a regular basis. In terms of information access, we endeavour to ensure data security in our internal systems and implement account login permission management to restrict the access scenarios and conditions of use of consumer and customer information by our internal staff to ensure information security of our consumers and customers to the greatest extent.

RESPONSIBLE MARKETING

Master Kong practices the concept of responsible marketing in its marketing activities to ensure that its marketing behaviours are in line with business and social ethics. We strictly abide by laws and regulations such as the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other national standards such as the GB 7718-2011 *General standard for the labelling of prepackaged foods*, and establish *Product Promotion and Marketing Manual* to strictly control the auditing of advertisements and labels, and to standardise the promotional and marketing work of its products. We establish transparent communication channels with consumers and are committed to building a corporate image of responsible marketing and enhancing brand value.

The Company focuses on the management of publicity. We require our partners and other advertising publishers and operators to perform in good faith and compete fairly to avoid exaggerated, false or misleading publicity. To ensure that the promotional content is true and compliant, the Company requires all external promotional materials and label designs shall be reviewed and approved by various departments such as legal affairs, research and development and quality assurance before release. Master Kong's marketing policy stipulates that it shall not carry out advertising activities in primary and secondary schools and kindergartens, and shall not use the teaching materials and teaching aids for primary and secondary school students and young children, school uniforms, school buses and other channels to publish or disguise advertisements. In the area of brand promotion, product marketing and content publicity, Master Kong stipulates that it is prohibited to involve competitors' brands in promotional content, to disparage the goods or services of other producers and operators, or to make one-sided publicity or comparisons of goods.



The Company organises annual responsible marketing-related training for all marketing employees and regularly organises special training on the implementation of marketing strategies and other activities to enhance employees' awareness of responsible marketing. During the year, Master Kong conducted training on the *Hot Event Marketing Guidelines* for its marketing employees and relevant partners, which analysed the potential risks and consequences of different marketing approaches, and required all advertising creatives, communication materials and promotional channels to comply with the Guidelines, thereby ensuring the legality and compliance of marketing activities.

In terms of responsible marketing audit, we regularly conduct self-inspection audit on marketing every year and identify risk points to continuously improve the risk control and supervision mechanism. Responsible marketing audits content includes, but are not limited to, marketing system management, creative media agency management, monitoring agency management, spokesperson management, IP cooperation program management, social media management, whether the advertisement content involves negative publicity and improper publicity, and whether the packaging of the placed products has been audited and reviewed. In addition, the Instant Noodles Business and Pepsi Beverage Business carry out third-party marketing audit at least once a year, which covers all the media projects placed in the previous year, and the review content includes the authenticity and quality of the implementation and interaction data of Internet key opinion leaders (KOLs), advertisements, IP cooperation and other projects.



INFORMATION SECURITY AND CYBERSECURITY

Placing great emphasis on information security and cybersecurity management, Master Kong has established and continues to improve the information security management system. It also formed information security strategy and training system that cover all employees. The Information Security Management Committee is set up as the highest decision-making body for information security and cybersecurity management. This committee is a cross-departmental organisation composed of members of the Operating Committee, and the management representative is the head of the Strategic Development Office. It

is responsible for the decision-making and supervision of overall information security strategy, major projects and control measures. It also reviews the information security audit report and attends briefings on major information security incidents and works out response plans. To ensure effective operation of the system, we organise the internal review at least once a year. Master Kong has received the certificate of ISO 27001 - Information security management systems from the British Standards Institution (BSI) and, following the 2024 transition audit, upgraded its certificate from ISO 27001:2013 to ISO 27001:2022.

and publicity campaigns. We invite external professional instructors to provide training on key points of information security and methods of threat prevention, record promotional videos, issue monthly e-posters on information security to all employees, and introduce a mechanism of tests and drills for better training results. Throughout 2024, the Company organised a series of information security activities. We arranged multiple sessions of information security awareness training and tests for different levels of staff, along with simulated phishing-email drills. We invited industry experts to introduce the

latest development in the field of information security to our employees and answer their questions. We produced and released 12 issues of information security theme publicity posters and videos, helping employees master information security knowledge and enhance security protection capabilities in a vivid and interesting way.

In 2024, no information security incidents such as customer privacy data leakage occurred at Master Kong.



▲ Master Kong received the certificate of ISO 27001 for information security management system

We have performed comprehensive information security risk assessment to identify potential threats and vulnerabilities. We have established a security command platform and an emergency response mechanism, as well as a standard process for cybersecurity threat warning and emergency response to realise 24-hour monitoring. Additionally, we regularly conduct technology compliance checks on systems and take actions accordingly to ensure information security and cybersecurity. We introduced third-party professional security organisation for extensive testing and improvement of the information security system on a regular basis, effectively identifying and eliminating potential security risks. We have passed the security review of national evaluation agencies. Employees may report any suspicious case to the Information Security Governance Group by e-mail, telephone, questionnaire, etc. promptly. If a report is received, our Information Security Governance Group will immediately investigate the reported information and use monitoring tools to detect unauthorised or abnormal activities, ensuring information security to the greatest extent.

We have established a vulnerability lifecycle management

mechanism. We formulate vulnerability scanning plan every year and conduct monthly vulnerability scanning for Web and systems. We analyse and verify the vulnerability of the discovered issues and take actions including adjusting security policies and deploying patches to repair and reinforce according to the vulnerability level. After the fix is completed, we will conduct a retest, formulate a closed-loop service report on the vulnerability, and report it to the management personnel. In addition, we regularly conduct hacker attack drills to scrutinise security vulnerabilities and evaluate the effectiveness of protection measures. In 2024, Master Kong advanced its cyber-defence on multiple fronts. Core business systems exposed to the internet are now monitored continuously, and other systems are under surveillance during working hours. Multiple alerts triggered by external attacks, weak passwords and software vulnerabilities were rapidly blocked and remediated. Through regular vulnerability scans and penetration tests on internal systems such as SAP and OA, we identified and resolved potential vulnerabilities and enhanced the Company's overall cyber-resilience.

We improve every employee's information security awareness and skills through diverse education programs, training sessions

INTELLECTUAL PROPERTY MANAGEMENT

Master Kong deeply understands that intellectual property rights is the core driver of corporate innovation and development. We comply with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*, strictly implement its intellectual property management measures and comprehensively carry out rights defence actions to promote fair competition. We continuously paid attention to the trends of intellectual property rights in the industry and attached importance to the accumulation and application of intellectual property rights, to better develop the Company's intellectual property strategy. We collaborated with several professional organisations to continuously protect all aspects of intellectual property, including patents and trademarks, and applied for registration and

protection of our core trademarks in many countries and regions around the world. We register with the relevant authorities in a timely manner and retrieve intellectual property information before all kinds of new products go on the market and conduct relevant analysis, to ensure the packaging appearance patent applications are made before the new products go on the market and constantly improve the intellectual property monitoring line. We respect and protect the intellectual property rights of others while protecting our own intellectual property rights by severely cracking down on infringement. We also regularly publicise and train employees on intellectual property rights and enhance their professionalism and awareness of intellectual property protection to safeguard the Company's brand reputation. In recent years, the Company has published a total of 758 patents and papers.





SUPPLIER ESG MANAGEMENT

Supply chain sustainability is a key factor to a corporate's sustainable development. Master Kong established and optimised its supplier management system that monitors various aspects of the suppliers including their access qualification, production and operation and social responsibility, continuously refining our supplier management capabilities. We are committed to working together with corporates from upstream and downstream of the value chain to achieve lasting and steady development, and bring high-quality products to our consumers.

In terms of supplier recruitment, Master Kong has formulated supplier development and management methods that cover all of the suppliers according to their types, and clarified and refined the supplier introduction process and requirements. We have established supplier basic information files and evaluated their qualifications in accordance with the *Supplier Evaluation - Information Evaluation Form*. At the same time, we conduct on-site audits of suppliers to examine and evaluate their plant and facilities, production and quality management, waste discharge, environmental and occupational health and safety management levels and labour policy. To assess the level of food safety management of suppliers, we conduct sampling inspections during the on-site inspection phase, using both external inspections by third-party testing organisations and Master Kong's own inspections to conduct rigorous screening. Only those who pass all the above assessments will be qualified as Master Kong's suppliers.

In terms of day-to-day supplier management, Master Kong has been improving the *Supplier Appraisal Operations Approaches* and *Supplier Assessment Grade Rewards and Punishments*. We conduct assessments of each supplier's supply quality, delivery time, service and cooperation, labour policy, and determine monthly and annual supplier ratings considering assessment results. We require suppliers to formulate improvement plans accordingly and back them with tailored coaching strategies, along with rewards and penalties. We conduct on-site audits of suppliers in accordance with applicable laws and regulations, *GB 14881 General Hygiene Standard for Food Production*, *GB 31647 General Hygiene Standard for Food Additives Production*, and our own supplier requirements. Suppliers must rectify and improve on any non-conformities identified during annual audits and routine unannounced inspections, submit their corrective action plan within five working days, and complete the improvements and return supporting evidence within three months. Our internal auditors then carry out a follow-up on-site verification. If a supplier fails the verification, all further cooperation with them is suspended. We also adopted methods such as annual audits, unannounced inspections, production season traceability, and quality improvement coaching to enhance supplier



performance. We run regular supplier training sessions to convey national standards and the Company's management requirements. All raw material suppliers are convened at the Supplier Conference, where food safety and quality management requirements and "red line" clauses are explained. For selected suppliers, we arrange expert-led topical workshops and on-site coaching, including equipment diagnosis and guidance, to enhance their specialised management capabilities.

In 2024, the Company carried out a comprehensive and in-depth supplier management program⁵ and identified 99 significant suppliers⁶. For supplier assessment, the Company assessed 444 suppliers, including 69.7% of significant suppliers, through desk reviews or on-site audits. After thorough evaluation, 18 suppliers were found to pose significant actual or potential negative impacts, and 14 of them voluntarily drafted corrective action plans, which the Company also actively guided to completion. Based on overall assessments and long-term cooperation considerations, partnerships with 4 suppliers were terminated. For capacity building, 322 suppliers, including 59.6% of significant suppliers, participated in the Company's dedicated supplier capability enhancement programs.

The Company has established a supplier information sharing mechanism to spur continuous ESG investment and progress. At the annual supplier conference, the procurement team shares case studies of best-in-class ESG practices by some suppliers,

showcasing best studies to their peers and incentivizing mutual improvement. Suppliers with outstanding achievements in energy saving, emission reduction, package lightweighting or other initiatives are invited to share their experience with business units, driving high-quality development throughout the supply chain. We also encourage suppliers to work with Master Kong and enhance the development vitality of the supply chain. If suppliers actively participate in technical or service innovations promoted by Master Kong and successfully generate tangible economic benefits, we will grant additional points in the annual assessment to stimulate the suppliers' enthusiasm for innovation.

In terms of supplier environmental and social risk management policies and practices, we formulate *Master Kong's Basic Agreement with Supplier on Environmental and Social Compliance* (hereinafter referred to as the Agreement) and *Master Kong's Classified Management Recommendations for Supplier on Environmental and Social Aspects*, which require our suppliers to meet relevant environmental and social laws and regulations where they operate. We continue to promote our supplier partners' awareness and understanding of the impacts on the environment and society. The acceptance and signing of the Agreement by suppliers are prerequisites for establishing a supply partnership with Master Kong. Suppliers who signed the Agreement commit to the "nine mandatory requirements" for environmental and social compliance, which includes minimum age of employment, forced and bonded labour (freedom of association), business ethics (anti-corruption, anti-conflicts of interests, anti-unfair competition, avoiding discrimination and harassment), serious environmental pollution (greenhouse gas emissions, energy consumption, emissions of pollutants and wastes, resource efficiency, biodiversity protection), serious health or safety hazards, working hours, wages, employee injury insurance and food safety. In order to enhance the level of business ethics of our suppliers and to create a transparent and clean partnership, we have effectively conveyed the Company's requirements on business ethics including anti-corruption,

anti-conflicts of interest, and anti-unfair competition to our suppliers by signing the *Anti-Commercial Bribery Pledge* with our suppliers. We will suspend cooperation with suppliers who fail to rectify according to the plan or trigger the red line clause, such as involvement in child labour. During the reporting period, we had signed the *Master Kong's Basic Agreement with Supplier on Environmental and Social Compliance* with all of the suppliers to manage their environmental and social risks as well as conduct continuous supervision on their performance of the Agreement.

We also leverage digitalisation to improve comprehensive management capability of supply chain and corporate operation efficiency. We applied digital methods to establish an intelligent supplier management system, which covered procedures including upstream and downstream procurement, transportation and production. By utilizing the Supplier Relationship Management (SRM) system, we realise the unified management of the supplier data by supplier data sharing centre to simplify data management. The system can also realise digital management and paperless operation covering the entire bidding process, including issuing biddings, introducing suppliers, signing and approving the reserve price, purchasing bidding, and approving the winning bid, thus reducing supplier management cost, strengthening the entire process of suppliers' coordination and integration, and enhancing the transparency and agility of the value chain. We carry out SRM system training for suppliers and related personnel of Master Kong to enhance capability of trainees to operate the system and continuously improve the utilisation efficiency of the system. In addition, we continue to promote the implementation of Material Requirement Planning (MRP), which automatically calculates the raw material requirements, reduces the labour cost of manually calculating the raw material requirement planning and improves the accuracy. We purchase according to the plan and arrange the production line operation reasonably, so as to realise stable production, avoid the production line overload or idleness, increase the flexibility of production scheduling, and improve production efficiency and service quality.

Number of suppliers by region

Supplier location	Number of suppliers
Chinese Mainland	918
Hong Kong SAR, Macau SAR and Taiwan Area	3
Foreign regions	1

⁵The Company's supplier management covers all suppliers of the Instant Noodles Business, the Master Kong Beverage Business, and the Bakery Business. Suppliers of the Pepsi Beverage Business are under direct management of PepsiCo.

⁶Significant suppliers are Tier-1 suppliers that either have critical business relevance to the Company, or are top suppliers ranked by annual procurement spend who collectively account for more than 60% of the Company's total procurement spend.



ANTI-CORRUPTION AND ETHICS MANAGEMENT



Compliance and integrity are the cornerstones of a sustainable business. Master Kong endeavours to create a workplace environment with integrity, honesty and transparency. The Company strictly complies with the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations. It has formulated management systems such as the *Management Measures on Employees' Integrity and Self-discipline Behaviour* and the *Management Measures on Contract Inspection and Review*, and has published the *Anti-Corruption Policy* on its official website. It continuously improves the anti-corruption management system, avoiding any direct or indirect illegal commercial acts including corruption, bribery, extortion, fraud and money laundering, etc. The Company's anti-corruption-related policy stipulates that it is prohibited to offer any form of benefits or gifts to individuals or organisations that have direct or indirect relationships with the Company's internal or external affairs without authorisation, and strictly avoid donations and sponsorships (including political donations and philanthropic donations) for the purpose of bribery.

Master Kong prohibits directors and all employees from engaging in or profiting from any illegal or unethical economic behaviours and advocates all of our employees to abide by professional ethics and moral principles. We demand our employees, suppliers and distributors to sign the *Anti-Commercial Bribery Pledge*, which clearly states that they will not offer or accept bribes and maintain a good working environment. The Company constantly enhances its employees' ability to deal with the relevant issues, improves our employees' awareness of anti-corruption, and continues to build and promote a culture of corporate integrity. We published articles and shared anti-fraud cases on the WeCom platform and online learning platform, educated all employees about the integrity culture and related norms of Master Kong, opened a fraud reporting channel, and sent the *Audit Fraud Investigation Report* to the senior management and directors, constantly strengthening the directors' and employees' awareness of integrity and compliance. We also

take into account the compliance of employees' behaviours when evaluating their performance and have zero tolerance for employees who violate the relevant code of conduct. Depending on the severity of circumstances, we would issue them warnings, demerits, and even dismissals according to our *Management Measures of Staff Rewards and Punishments*. In 2024, we organised promotional activities for the *Management Measures on Employees' Integrity and Self-discipline Behaviour* and conducted tests with the *Test Paper on Employees' Integrity and Self-Discipline Behaviour* to promote the construction of an anti-fraud culture and principles of integrity in practice among our employees. In addition, through the WeCom platform, we published multiple editions of the internal control culture bulletin to all employees (including full-time and part-time employees). The bulletin covered topics such as legal and regulatory knowledge sharing, interpretation of the Company's ethical red lines, analysis of anti-fraud cases, promotion of integrity culture and institutional regulations, and learning and promotion of fraud reporting channels. We also provided online ESG-related training to the directors of the Group, covering topics such as anti-corruption and business ethics.

In response to commercial bribery, fraud and other illegal acts, Master Kong has established a special reporting channel to encourage internal and external personnel to monitor each other, and participate in the construction of the Company's business ethics and compliance culture to resist malpractices. We have published the *Acceptance Principles of Whistleblowing and Reward Regulations* and the whistleblower hotline and e-mail address on the Company's official website. In 2024, we established a WeCom report channel for internal employees to raise concerns anonymously. We also encourage employees, suppliers and other parties to participate in real-name whistleblowing. The whistleblower commissioner records, processes, and tracks whistleblowing and complaint cases on a daily basis to ensure that whistleblowing cases are handled promptly and properly. In response to external extortion, fraud and other incidents, the Company has formulated a special emergency plan and handling

mechanism to improve its ability to deal with related problems.

The Audit Department conducts company-wide audits of major risk management and the effectiveness of the internal control every year and makes recommendations for improvement to avoid the occurrence of irregularities and illegal acts such as employees taking advantage of loopholes in the system to commit fraud. The personnel of the Audit Department sign a commitment letter of *Code of Professional Ethics and Disciplinary Guidelines for Audit Office Personnel* every year, promising to strictly follow the principle of confidentiality in the performance of their duties.

The Company set up a Corporate Security Team under the Audit Department, which is fully responsible for the analysis, investigation, closing and remediation follow-up of whistleblowing cases. We have formulated the *Whistleblowing Management Measures* to regulate the process of handling reports, the principles of reward and the relevant requirements for the protection of whistleblowers. We keep whistleblowers' identities strictly confidential and operate a zero-tolerance policy toward any form of retaliation against them. If there is any leakage of the whistleblowers' information, it will be dealt with in accordance with the *Management Measures of Staff Rewards and Punishments* after verification. In 2024, there was no leakage of the information of whistleblowers.



Master Kong Whistleblowing Official Website:

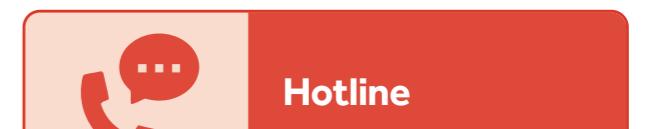
<https://www.masterkong.com.cn/contactus/index.shtml>

Acceptance Principles of Whistleblowing and Reward Regulations:

<https://www.masterkong.com.cn/contactus/20150527/32285.shtml>

In 2024, the Company's Audit Office conducted special audit operations across the Group in the segments of internal control and risk management, legal compliance management, capital insurance and investment and financing management, tax and accounting management, procurement management, supplier food safety, etc., reviewing the effectiveness of the control systems for business ethics and professional ethics involved in the relevant projects, and comprehensively strengthening the Company's anti-corruption and anti-fraud management.

In 2024, no concluded litigation regarding corruption brought against the Company or its employees was noted, no fine resulting from bribery or corruption was received by the Company, and no illegal business activity such as extortion, fraud, insider trading, conflict of interest and money laundering was identified in the Company. The Company has not made any donations, sponsorships or other types of expenditure for the purpose of bribery, nor has it made donations to any organisations, associations or non-profit organisations for the purpose of political activities.



Hotline

021-31753602



Email

jianju@masterkong.com.cn



Mailing Address

**Whistleblowing supervisor, Building A,
No.1688, Wuzhong Road, Minhang District,
Shanghai, China 201103**

BRAND BREAKTHROUGH

Aligning with Aerospace Standards and Benchmarking Aerospace Quality

In 2024, under the framework of the scientific research project on science popularisation services by the News and Publicity Centre of the State Administration of Science, Technology and Industry for National Defence, Master Kong carried out technical application integration, becoming the first enterprise in China to apply aerospace patents to the production of instant noodles. In December, Master Kong hosted the event titled "Building Dreams in Aerospace and Embarking on a New Journey • Awarding Ceremony for China's First Instant Noodle Enterprise Applying Aerospace Patents", garnering attention from three major media outlets, namely CCTV.com, XINHUANET, and People's Daily. By introducing aerospace temperature control technology, the Company has enhanced the stability and precision of temperature control during product processing,

Innovation-driven development with a quality-centric approach

transforming cutting-edge aerospace science and technology into products benefiting the people. This demonstrates Master Kong's philosophy of "innovation-driven development with a quality-centric approach".



▲ "Building Dreams in Aerospace, Embarking on a New Journey" Event

Understanding Fans' Interests Thoroughly, Staying Close to Hot Topics and Stimulating Spontaneous Communication

Leveraging major sports events of the year, Master Kong proposed the brand communication idea of "Step Up with Confidence, Gotta Have This Flavour (底气上场, 就要这个味)". With a deep insight into fans' interests and behaviours, Master Kong held a series of brand marketing activities such as "Tomato Egg Beef Noodles" x "National Actress" Andy Yang (杨紫), "Good Soup Noodles" x "National Singer" Zhou Shen (周深), "Golden Stock Beef" x "Minions" and "Old Altar Pickled Cabbage Beef Noodles (老坛酸菜牛肉面)" x "Shanghai Animation Film Studio's 'Havoc in Heaven'", which stimulates social interaction in the circle and attracts a large number of fans to participate, promoting brand goodwill and preference of Master Kong.



▲ "Step Up with Confidence, Gotta Have This Flavour (底气上场, 就要这个味)"



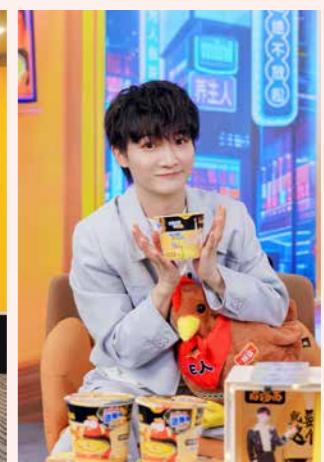
▲ "Tomato Egg Beef Noodles" x "National Actress" Andy Yang (杨紫)



▲ "Old Altar Pickled Cabbage Beef Noodles (老坛酸菜牛肉面)" x "Shanghai Animation Film Studio's 'Havoc in Heaven'"



▲ "Good Soup Noodles" x "National Singer" Zhou Shen (周深)



Master Kong actively engages in social welfare initiatives and enhances its brand influence through public welfare promotion activities. In 2024, Master Kong Beverage Business sponsored drinking water for students during the high-school and college entrance examination and launched the "Summer Coolness Delivery" public welfare campaign by distributing drinking water to frontline workers such as traffic police and firefighters during the summer heat, all of which interpreted the concept of "Let Water Raise You into the Light" in multiple aspects. Throughout the year, the Company donated a total of 410,000 packages of drinking water, reaching over 1.62 million people offline and receiving widespread acclaim from all sectors of society.



GREEN AND HEALTHY GUARDIANSHIP FOR SUSTAINABILITY, A CLEAN WAY TO ENJOY “LIFE + DELICACY”

As a leading company in China's food and beverage industry, Master Kong actively takes responsibility for environmental protection, identifies and complies with the national and local environmental-protection-related laws and regulations, continuously improves management policies and systems in the areas of environmental target setting, energy and water conservation, emission and carbon reduction, plastic reduction and packaging management, digital production, climate change response and sustainable raw material procurement, implements various project practices to reduce its negative impact on the environment, and continuously contributes to the realisation of "Keep Our Nature Green". In 2024, 93% of the Company's plants were certified to the ISO 14001 Environmental Management System.

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SETTING ENVIRONMENTAL MANAGEMENT TARGETS⁷

Guided by the Company's sustainable development concept, we have set our environmental development targets based on the actual situation of our production and operation, combined with analysis of past environmental data and planning for future corporate development, including:



Energy and water consumption

- The combined energy consumption per million of revenue will be maintained at below 63.18 MWh/RMB'million by 2025.

Target progress in 2024: The combined energy consumption per million of revenue was 61.24 MWh/RMB'million, and the target has been achieved. In 2025, the Company will still set this as the target and conduct energy consumption management accordingly.

- Using 2017 as the base year, water abstraction per million of revenue (tons/RMB'million) will decrease by 20% in 2025.

Target progress in 2024: Water abstraction per million of revenue (tons/RMB'million) decreased by 18.2% compared to 2017.

- The recycling rate (actual sales volume/theoretical production) of the main production-based raw material waste is not less than 97%.

Target progress in 2024: The target has been achieved. In 2025, the Company will still set this as the target and conduct waste management accordingly.

- Greenhouse gas (Scope 1 and Scope 2) emissions per million of revenue will be maintained at 27.36 tons/RMB'million by 2025.

Target progress in 2024: Greenhouse gas (Scope 1 and Scope 2) emissions per million of revenue was 25.15 tons/RMB'million, and the target has been achieved. In 2025, the Company will still set this as the target and conduct greenhouse gas emission management accordingly.

- Emission concentrations of major air pollutants (nitrogen oxides, sulphur oxides, soot and dust) from all plants meet or exceed national standards.

Target progress in 2024: The target has been achieved. In 2025, the Company will still set this as the target and conduct air pollutant management accordingly.

- Wastewater (COD) discharge concentrations meet or exceed national standards.

Target progress in 2024: The target has been achieved. In 2025, the Company will still set this as the target and conduct wastewater management accordingly.

Waste

Emissions

Master Kong will continuously monitor the progress of achieving the above-mentioned environmental targets and regularly review and report on the achievement of the environmental targets.

⁷The environmental key performance indicators, including greenhouse gas emissions, were formally disclosed by Master Kong in 2017, so 2017 was chosen as the base year for setting environmental management targets.

ENERGY AND WATER CONSERVATION MANAGEMENT

The Sustainable Development Committee of Master Kong is chaired by the Chairman and CEO of the Company, and supervises the Company's energy and water resources strategy and performance. The beverage resources working group and instant noodle resources working group under the Sustainable Development Committee are headed by senior managers of various businesses, respectively, and focus not only on energy-saving and water-saving management, energy-using and water-using strategies and performance of businesses, but also on promoting projects such as energy saving and consumption reduction and recycling of water resources, so as to improve the management of the Company's energy efficiency and water consumption. According to the planning arrangements made by the Sustainable Development Committee and its working groups at the beginning of the year, the Supply Chain Centre of each business implemented energy and water conservation projects and set up full-time management personnel at their production bases.

Master Kong has formulated the *Energy Management Measures*, the *Energy Unit Consumption Assessment and Evaluation Method*, the *Energy Management Team System* and the *Energy Management Performance Penalty System* as the policy guidance for energy saving work, clarifying the responsibilities of relevant units. Each business continuously optimises its production processes and promotes key energy-saving projects to reduce energy consumption. Performance management indicators for energy consumption management have been set up in each business factories to assess the implementation of energy conservation, and the effect of

energy saving and consumption reduction has been incorporated into the performance appraisal indicators of relevant management personnel and staff and combined with incentives such as quarterly bonus, further enhancing employee focus on energy conservation. A special team has been set up in each factory to conduct energy management health check, track daily production energy consumption and investigate the causes of any abnormalities in the indicators, and make improvements accordingly. We review and analyse the production energy consumption indicators against the corresponding period and budget indicators every month, so as to optimise and adjust them in time. We promote the application of the Energy Management System (EMS) to continuously improve the Company's energy saving management level. All plants of Master Kong's core products have implemented energy-saving and carbon reduction management, which includes optimizing air compression and steam systems, implementing waste heat recovery/reuse technologies, and installing on-site distributed photovoltaic projects, achieving remarkable effects in energy-saving and carbon reduction. We regularly run training sessions for suppliers and employees and share experience on energy conservation in an aim to improve the overall energy management performance of the Company.

In 2024, 20 plants of Master Kong Beverage Business and 13 plants of Pepsi Beverage Business were honoured as "Excellent Energy-saving Enterprise" by the China Beverage Industry Association for their respective outstanding energy saving management achievements.



Frying waste heat recovery promotion

100,000 tons

The Instant Noodles Business continues to promote the application of waste heat recovery systems, which collect waste heat from frying pots to generate clean steam. In 2024, the technique has been extended to a total of 122 production lines nationwide, saving 100,000 tons of steam per year and reducing greenhouse gas emissions by 30,000 tons per year.



Boiler configuration optimization

3,500 tons

Some of the Master Kong Beverage Business factories optimize their boiler configurations to improve fuel efficiency, resulting in an annual reduction of approximately 1.85 million cubic meters of natural gas consumption and about 3,500 tons of CO₂ emissions.



180,000 kWh

The Pepsi Beverage Business Guangzhou Factory replaces two high energy consumption chillers with more energy-efficient models, resulting in an annual electricity savings of approximately 180,000 kWh.



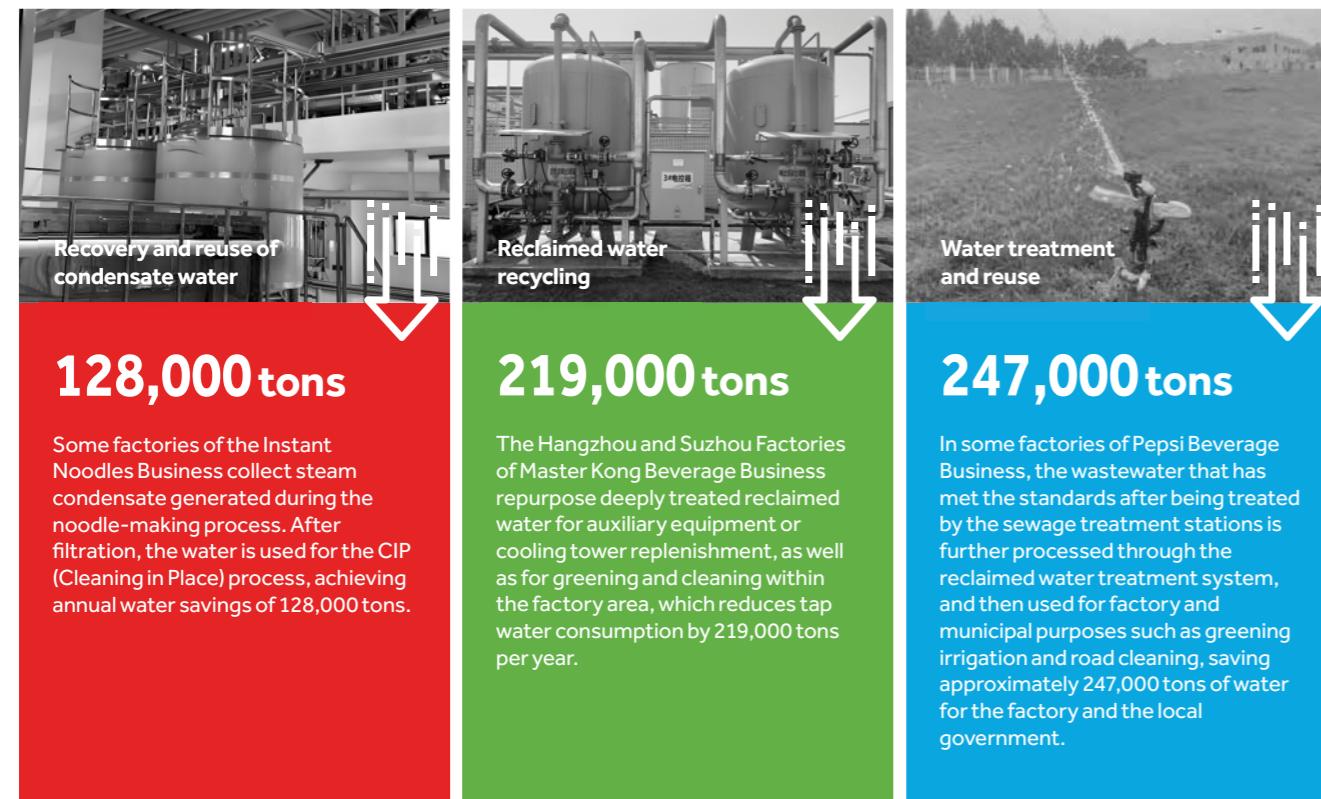
Master Kong conducts analysis and assessment before withdrawing water. It analyses the development and utilisation of water resources in the region where the project is located and the impact of the project on water resources, in a bid to understand changes in water risk in the Company's location and formulate effective measures accordingly. During the reporting period, we assessed the annual water risk in the Company's location with Aqueduct™ Tools developed by World Resources Institute (WRI).

Master Kong has established water-related risk management measures to assess and manage water risks related to dependency, including water consumption, water quality, water source availability, impact on external stakeholders and water-related regulatory changes. We arranged dedicated personnel to inspect internal water supply facilities, identify and resolve water-related problems in a timely manner, and ensure that the water supply is normal. Each plant is equipped with a water storage tank for use during outages. Each plant inspects water quality every month and engages external professional third party for water quality testing at least once a year. The Company conduct hazard analysis as well as cleaning and disinfection of water storage equipment based on the test results. We also focus on catchment water replenishment in the regions where we operate and work with partners to restore local ecosystems, promoting the sustainable use of water resources and creating a better aquatic environment together. In 2024, Master Kong did not have any major incidents related to water use.

In terms of water conservation management, the Company has formulated a *Water Conservation Management System* to guide the development of water conservation work and requires production staff to operate in strict compliance with the system. We put water saving and consumption reduction into the performance evaluation index of key supervisors of factory directors in order to

implement effective water saving. Master Kong's factories regularly carry out "water balance tests" to understand the current situation of water consumption in the water supply network and each unit, and based on the measured water quantity data, we judge the reasonable level of water consumption and take corresponding measures. For production processes and equipment with high water consumption, we have strengthened detailed management and control and actively promoted key water-saving projects such as the utilisation of reclaimed water after sewage treatment, elimination and replacement of high water-consuming equipment, and promoted them in plants nationwide. Our water-saving projects have covered 100% of our plants, making significant contributions to the overall improvement of the Company's water efficiency. We set up special personnel at the plant to conduct inspections of internal water supply facilities to detect and resolve water problems in a timely manner to ensure normal water use. We actively promote awareness and ways to conserve water resources, continue to carry out exchanges and experience sharing among factories across the country, and strive to integrate the concept of "Cherishing, Conserving and Protecting Water" into all aspects of our daily production work. At the same time, we are promoting the integration of the water consumption management module into the EMS, so as to promote a comprehensive improvement of integrated resource management level. In 2024, Master Kong recycled and reused 3,197,027.28 tons of reclaimed water, with a water reusing rate of 13.08%.

In 2024, the 19 plants of the Master Kong Beverage Business and 13 plants of the Pepsi Beverage Business were once again awarded the title of "Excellent Water-saving Enterprise" by the China Beverage Industry Association for their excellent management practices.



Case Study: Driving innovation in water utilisation to improve plant-level water efficiency

Master Kong Beverage Supply Chain Centre has set up a water efficiency innovation team. Drawing on advanced water management practices by both domestic and foreign beverage plants, the team uses water-balance tools to analyse consumption, continuously refines water use in production process, introduces new water-saving technologies and techniques, and rolls out projects such as reclaimed water reuse and implementation of high-water efficiency equipment. Two plants of the Pepsi Beverage Business have achieved a world-class water efficiency of 1.4 L/L, and all existing plants are targeted to reach this level by 2028. Between 2025 and 2030, Pepsi product bottling plants under Master Kong Beverage Supply Chain Centre are forecast to save roughly 14 million tons of water and cut water costs and wastewater treatment costs by about RMB 112 million, steadily improving water-use efficiency.

Case Study: Building artificial wetland to protect water source and biodiversity

In support of our partner PepsiCo's vision to become net water positive, Master Kong established an artificial wetland project consisting of oxidation pond systems in the catchment basin of Xi'an's Qingshui River, turning abandoned ponds into an ecological oasis. Through engineered ponds and hydraulic systems, the wetland project can treat water from a 24.9 km² catchment affected by diffuse source pollution. Water is first settled in a grit chamber and then purified by aquatic plants. Completed and put into operation in 2025, the wetland is expected to deliver about one million tons of clean water annually. While improving water quality, it also provides a new habitat for local birds and protects biodiversity.



▲ Artificial wetland project

Protecting Water Sources

Master Kong is taking actions to reduce water consumption and protect water resources. We strictly follow water source protection protocol at our natural water plants and actively work with relevant governmental departments, fulfilling corporate responsibilities. The Company calculate the amount of water extracted and replenished with great caution when selecting sites for natural water plants and finalise the locations if the calculation results meet the standards. When constructing water plants, we also implement extensive measures to protect water sources. These include:

- Applying for mining permits during the initial phase of plant establishment. We develop and utilise water resources scientifically and rationally in accordance with the *Regulations on Prevention and Control of Water Pollution*, *Regulations on Management of Groundwater* and other protection plans related to local water resources. We monitor and protect water withdrawal, and excessive exploitation is strictly prohibited.
- Defining the boundaries of water source protection, set up class-I protection zones around wells and signs for reminders of maintaining good sanitary conditions. We take measures to prevent seepage from temporary garbage storage and transport the garbage promptly.
- Ensuring the implementation of sewage collection system during construction, strictly prohibiting pollutant discharge into surface water bodies or farmlands.
- Managing water intake points with access control and locked gates, preventing unauthorised entry.
- Actively hosting events for Water Conservation Day at plants to boost water-saving awareness among the staff.

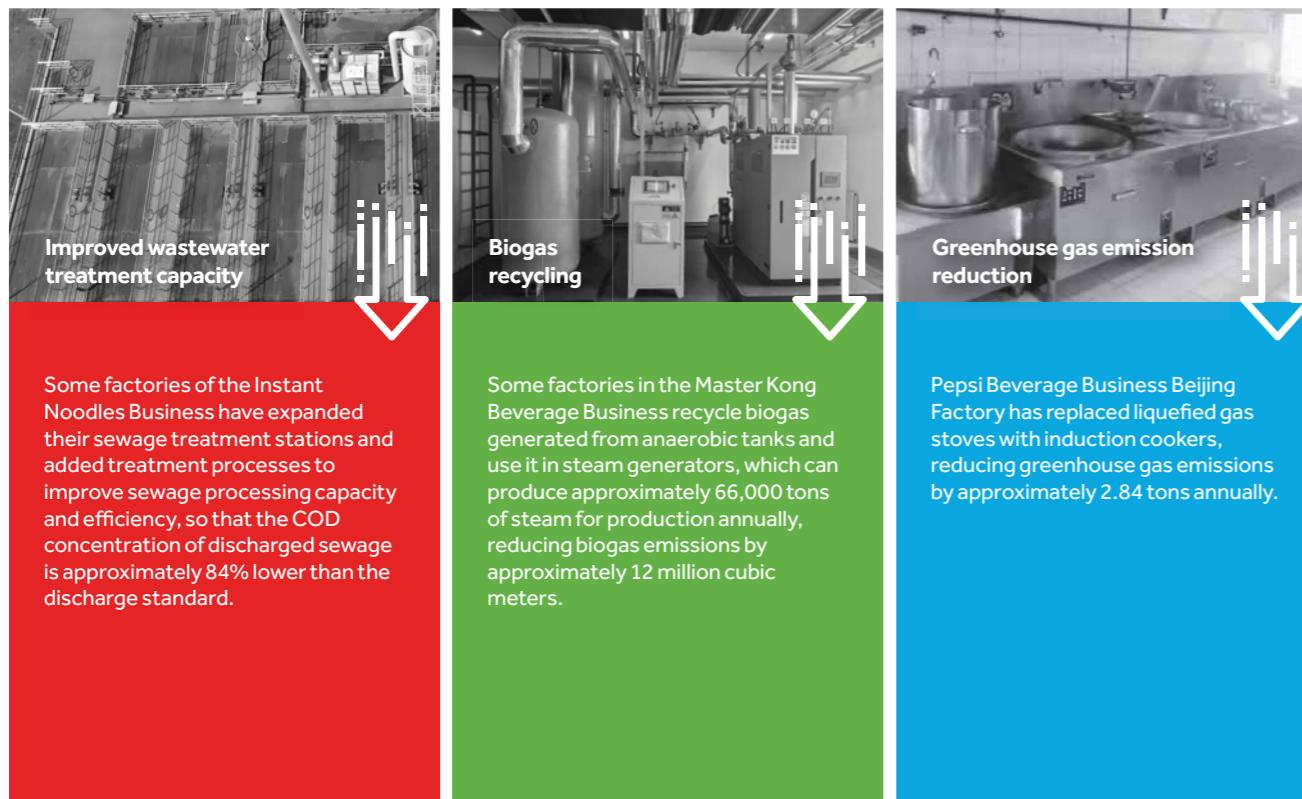


EMISSION AND CARBON REDUCTION MANAGEMENT



For the management of exhaust gas, greenhouse gas, wastewater and waste emissions, we comply with the relevant laws and regulations of the country and the place of operation, including the *Law of the People's Republic of China on Environmental Protection*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc. We have formulated the internal management system for different types of emissions as the basis for management and control. We clearly defined the management responsibilities of relevant positions, continuously used advanced management tools, optimised production processes, introduced advanced

environmental protection facilities and technologies, and carried out various specialised environmental protection projects to mitigate the impact of production and operation on the environment. We commission qualified third-party units to conduct regular environmental monitoring to ensure that all pollutants are discharged in accordance with standards. For hazardous waste generated, we have commissioned qualified professional units to conduct disposal in compliance. For non-hazardous waste, we strived to reduce waste generation at the source and promote the recycling and utilisation of resources. At the same time, we upgrade the skills of relevant personnel and implement maintenance work for treatment equipment to achieve stable operation of the wastewater and waste gas treatment systems.



Master Kong encourages upstream suppliers to use green energy, and actively utilises green electricity during the production stage, thereby reducing the carbon emissions generated in the downstream product retail chain. We carry out greenhouse gas emission reduction actions at all stages of the value chain:

- During the raw material production stage, we collaborate with agricultural suppliers to enhance energy efficiency and reduce greenhouse gas emissions through nature-based solutions (NBS). We collaborate with suppliers to introduce smart agricultural technologies and adopt an "AI automated agriculture" operational model that enhances energy and resource efficiency across the entire process of vegetable cultivation, harvesting and processing, achieving fully automated vegetable production. We also innovatively apply biodegradable mulch film technology, where discarded single-use mulch film can naturally decompose into organic matter within months after being buried in the soil, causing zero environmental pollution and ensuring product safety and quality from the source. We offset the carbon emissions of our products through carbon sink to achieve carbon neutrality, and launched the first certified carbon-neutral tea beverage in China. Furthermore, we draw insights from leading sustainable procurement projects and collaborate with raw material suppliers to reduce the carbon footprint of key core products such as Braised Beef Noodles and Iced Tea by optimizing formulations and quantifying their carbon reduction impact. The above-mentioned projects cover key core products and relevant raw material suppliers.
- For raw material suppliers, four factories among food raw material suppliers of the Instant Noodles Business have obtained carbon neutrality certification. The total installed capacity of rooftop distributed photovoltaic (PV) systems has exceeded 100 megawatts, generating approximately 93 million kWh of photovoltaic power annually while reducing greenhouse gas emissions by about 53,000 tons.
- For production and operations, we actively participate in green electricity transactions. In 2024, the Xi'an and Tianjin factories of the Instant Noodles Business purchased a total of 10.7 million kWh of green electricity, reducing greenhouse gas emissions by 7,600 tons. The Changchun plant of the Pepsi Beverage Business procured 5.3 million kWh of wind power, achieving a 100% renewable energy usage rate, while the Harbin and Jiedong plants purchased a total of 11 million kWh of green certificates, covering 100% of their electricity consumption.
- For downstream distribution channels, Master Kong Beverage Business actively promotes the switch to smart and energy-efficient refrigerators in distribution centres and stores to advance green and efficient refrigeration. Smart refrigerators can reduce energy consumption and energy-related carbon emissions by more than 40% compared to traditional refrigerators. As of the end of 2024, the new series of AI smart refrigerators in Master Kong Beverage Business have covered 59.77% of the total refrigerators deployed to all downstream distributors, and it is planned to achieve 100% coverage by 2030. Meanwhile, all of the new series AI smart refrigerators have been upgraded to Level 1 energy consumption in 2024, which reduces power consumption by 38% compared to existing smart refrigerators. In the future, Master Kong will further enhance the energy efficiency of AI smart refrigerators. It is planned that the energy consumption of the new model to be launched in 2025 will be reduced by more than 10% compared with that of the smart refrigerator model launched in 2024. Furthermore, Pepsi Beverage Business partnered with suppliers to develop a new generation of energy-efficient fountains during the year, setting targets to reduce operational energy consumption by 30% in 2024, 40% in 2025, and 50% in 2026. The new model has been successfully developed and launched for market testing in August 2024.

During production, process losses and over-supply inevitably generate raw-material waste and near-expiry products. In compliance with local laws and regulations, Master Kong upholds the principle of reducing food losses and wastes and hands over waste food and raw materials wastes to qualified companies for proper treatment and secondary utilisation such as the production of feed, compost, and biodiesel.



PLASTIC REDUCTION AND PACKAGING MANAGEMENT

Master Kong actively responds to the national plastic reduction policy and requirement and supports corresponding environmental protection policies. Based on the 3R (Reduce, Reuse, and Recycle) principles of a circular economy, it has formulated a green packaging strategy to minimise the environmental impact of product packaging. Master Kong prioritises packaging lightweighting as a key research focus. While ensuring that product packaging remains aesthetically appealing, practical, securely sealed, and compliant with national standards, Master Kong has reduced or optimised the use of packaging material for some product items. Furthermore, Master Kong will prioritise promoting packaging reuse and recycling as a key research focus for the next phase. On one hand, it expands the use of recyclable, biodegradable, or reusable packaging materials to ensure that products are packaged with sustainable materials. On the other hand, it encourages consumers to recycle discarded packaging and actively explores partnerships with relevant suppliers to collaborate on packaging waste collection, processing and recycling, thereby minimizing the environmental impact of packaging waste. In addition, the Company runs regular in-house training on plastics reduction and packaging management to raise staff awareness of waste minimisation and resource recovery.

At the product production stage, we have developed internal management systems such as the *Raw Material Overconsumption Standard*, actively conducted relevant research and exploration on various components of product packaging, continuously implementing a series of improvement programs to reduce plastic usage and weight, utilizing more environmentally friendly

packaging materials, and reducing the use of packaging materials and generation of waste from the source.

In the product transportation stage, we analysed the product cargo transfer process and changed some products from bagging to tanker transport to reduce the unnecessary use of packaging in the transportation process.

In terms of waste recycling and disposal, we have developed systems such as the *Factory Waste Management Measures* as a basis for management, sorting, organizing and storing waste on different materials and types, and handing over waste packaging to qualified waste disposal units for recycling, secondary processing and utilisation, and harmless treatment. The amount of plastic, paper, metal, and glass packaging materials we used in 2024 was 607,326.50 tons, 581,860.66 tons, 31,497.38 tons and 3,067.82 tons respectively. Among which, the proportion of paper packaging materials made from recycled materials was about 100%. Among the packaging materials we used, we identified that PET bottle, PP plastic bowl and shrink film are recyclable, representing 99.59% of the total. No compostable plastic packaging material was used.

In addition to regular actions such as switching the transportation of raw material from packaging bags to tank trucks, carton recycling, and switching raw material packaging from small-size packaging bags to tonnage bags, foci of our work on plastic reduction and packaging management during the year includes:

We are working with partners on packaging material recycling and PET recycling research. In 2024, the Master Kong Beverage Business processed about 1,500 tons of PET waste, which was turned into non-food grade PET bottles, fibres, and rPET employee uniforms, and tried to optimise PVC bottle labels into rPET labels, with related processes tested in some factories. Pepsi Beverage Business handed over waste PET bottles to units with plastic recycling qualifications for recycling into recycled polyester chips, workwear and other environmentally friendly recycled goods, resulting in a total reduction of 31.5 tons of waste plastic and the production of 4,082 workwear and 185 lab coats for employees.

Case Study: Inspiring Green Consumption with Plant-based Ink

To advance packaging toward sustainability, Master Kong has replaced conventional mineral oil inks with plant-based inks for instant noodle bowls, achieving zero mineral oil additives and zero volatile organic compounds (VOCs) emissions.

Made from renewable resources such as vegetable oils and their derivatives, plant-based inks emit no VOCs, MOAH, MOSH, wastewater or harmful substances during manufacture or printing, offering higher safety for both the environment and human health. The ink we used complies with Q/BT 5193-2017 Pure Vegetable Oil Offset Ink and France's mineral oil restriction decree (Arrêté du 13 avril 2022). Its bio-based content has been verified by SGS and certified by the United States Department of Agriculture (USDA) BioPreferred Program.

Currently, more than 90% of Master Kong's instant noodle bowls are printed with plant-based inks, and full coverage of plant-based ink in instant noodles product is scheduled for completion by 2028.

We have formulated plans and goals for plastic reduction and packaging management during the year:

Instant noodle packaging lightweighting:

Through scheme design and mechanical analysis, the buckle structure at the folding points of the folding fork was adjusted without compromising the folding fork's strength in lifting noodles, appearance and performance, resulting in a 7.7% weight reduction. At the design stage, the packaging specifications were rationalised to reduce packaging void ratio and material usage. In 2025, it is planned to achieve the goal of reducing plastic consumption by 800 tons and paper consumption by 1,955 tons annually across all instant noodle products.

Instant noodle packaging recycling:

We phased out non-recyclable PS materials in plastic containers with recyclable PP materials entirely and prioritised the use of a single material for packaging films to enhance recyclability. It is planned to achieve the goal of packaging recyclability rate of over 90% across all instant noodle products in 2025.

Eco-friendly instant noodle packaging:

We adopted eco-friendly plant-based inks to replace solvent-based inks, reducing VOC emissions. It is planned to achieve the goal of reducing VOC emissions by 160 tons annually across all instant noodle products in 2025.

Beverage packaging recycling:

In 2024, the technical reserve for the application of PETG labels has been completed, and the application scope of eco-friendly BOPP labels has been expanded. It is expected that in 2025, the application of PETG labels will be promoted and implemented to gradually replace PVC labels, while more BOPP label products will be introduced, and the recyclability rate of PET bottles will be increased to over 95% across all beverage products.

Beverage packaging lightweighting:

In terms of the lightweighting of beverage bottles, projects such as a 17% bottle weight reduction for "Bernachon" and a 4% weight reduction for mid-sized PET empty bottles of Pepsi beverages have been completed during the year, resulting in a total plastic reduction of 973 tons. In terms of the lightweighting of other beverage packaging, projects such as a 12% reduction in the weight of caps for some models, a 7% reduction in the quantity of labels, and a 4% reduction in the quantity of shrink film have been completed during the year, with a cumulative plastic reduction of over 1,200 tons. It is planned to continue research on projects such as weight and quantity reduction and material replacement of PET bottles, caps, and labels in 2025.



▲ Test the use of rPET eco-friendly bottle labels

Instant Noodles Business

- Reducing the consumption of cartons by replacing the transport packaging for paper bowls and sauce packets from cardboard boxes to reusable food-grade plastic crates
- Reducing the grammage of the paper at the bottom of PE buckets from 280 g to 240 g
- Reducing the width of the packaging film from 350 mm to 348 mm

Master Kong Beverage Business

- Reducing PET particles use by approximately 350 tons in 2024 through bottle weight reduction efforts for 380 mL boiled water products
- Reducing PET particles use by approximately 190 tons in 2024 through bottle weight reduction efforts for multiple products with capacities of 500 mL and 900 mL
- Achieving remarkable results through continuous research and testing in optimizing the design of packaging materials such as bottle caps, bottle labels, and shrink films

Pepsi Beverage Business

- Reducing PET material use by approximately 500 tons in 2024 through PET bottle weight reduction efforts for 500 mL products in some plants from 22 g to 21 g
- Reducing PET material use by approximately 600 tons in 2024 through PET bottle weight reduction efforts for 900 mL products in some plants from 35 g to 33 g
- Optimizing the production processes to reduce the usage of white sugar while decreasing the use of woven bags for white sugar



DIGITAL PRODUCTION MANAGEMENT

We continue to roll out digital tools across the board to monitor and control every process in production and operations with pinpoint accuracy, boosting efficiency while cutting resource consumption. We optimise our digital and intelligent supply chain system, applying scientific tools and management approaches, and progressively advancing the digital transformation of production management. This allows us to promote efficient collaboration with both upstream and downstream and achieve harmonious win-win outcomes.

Master Kong has completed equipment renovation and digitalisation of daily business processes in its factories, realizing real-time monitoring, management, and maintenance of equipment status, as well as real-time data collection and automatic analysis of energy usage. In the raw material procurement process, we integrated supplier information and unified supplier data management through the Supplier Relationship Management (SRM) system, reducing the costs associated with supplier data management across our business units. In the production process, we put more intelligent equipment into operation. At the same time, we achieved product traceability in the deployment process, improved the accuracy and visualisation of the production process, and promoted the application of the Energy Management System (EMS) to realise

real-time monitoring and management of resource consumption. In the product quality management process, we advanced the use of electronic forms and integrated information transfer in processes such as visual recognition for warehouse entry, electronic signing and logistics transportation, enhancing information sharing with carriers and customers and improving the traceability of product quality. Currently, the establishment of digital factory empowers Master Kong to collect all quality-related data, conduct real-time monitoring on the entire production process from material input to shipment, build a quality database, and realise the full life-cycle traceability of product quality.

Master Kong upgraded its intelligent Transportation Management System (TMS) by integrating it with systems like BeiDou and Shifutong and collaborated with third-party logistics providers to introduce intelligent scheduling systems and new energy trucks. This established an information-based, automated, and intelligent logistics control system with multiple functions, enabling intelligent route planning for urban distribution and green, sustainable logistics delivery. It effectively improved management levels in terms of logistics transportation costs, efficiency, expenses, and service, promoting the development of green transportation. Currently, the intelligent TMS has been applied to all businesses and factories of the Company.

The optimisation measures and work results in low-carbon logistics transportation from various business units during the year are as follows:

Instant Noodles Business

- Through the TMS system, Big-Data analysis and intelligent scheduling system upgrades were conducted, continuously optimizing delivery routes, which led to increased full-load rate rates and reduced diesel consumption for vehicles, resulting in a carbon emission reduction of 2,859 tons during the year.
- Implemented the electronic receipts project, eliminating the use of paper. It is expected to reduce the printing of 4 million shipment documents annually, resulting in a reduction of 73 tons of carbon emissions.
- Gradually replaced diesel vehicles used for urban distribution with new energy electric vehicles, reducing energy consumption and carbon emissions from logistics transportation. This year, a total of 40 diesel vehicles were replaced.

Pepsi Beverage Business

- Optimised delivery routes by increasing direct delivery routes from factories to customers, reducing secondary distribution.
- Gradually replaced traditional fuel vehicles used for transportation within the city and employee commuting buses with new energy vehicles.

Master Kong Beverage Business

- Established an intelligent logistics system to streamline warehouse operation processes, refine fleet scheduling arrangements, and improve the utilisation efficiency of transportation vehicles. Meanwhile, we implemented an intelligent weighing system that integrates with TMS, enhancing data processing efficiency and saving an average of 3 to 5 minutes per vehicle during weighing. Through these measures, approximately 4,200 tons of CO₂ emissions can be reduced annually.

Bakery Business

- Optimised delivery routes by increasing direct delivery routes from factories to distributors, which saved approximately 8,100 kilometres of delivery distance and approximately 1,863 litres of diesel fuel annually.

We apply image recognition technology in our warehouse system, using cameras to recognise the EAN (European Article Number) codes and spray codes of product boxes, and matching them with production order numbers to achieve automatic warehousing, which effectively improves the accuracy of warehousing. Connection between TMS with the image recognition system arranges loading and unloading work reasonably, which allows distributors to query the logistics nodes of their orders in real-time, while ensuring service quality and greatly enhancing the user experience. We introduce the QR code Traceability System (QRTS), which is based on the barcode on the outer package of raw materials. This system utilises the technology of industrial Internet of Things to interconnect equipment, monitor the production process in real-time, and assess the accuracy of operations, achieving the purpose of preventing errors in processes, recording of operations, and tracing of raw materials, thereby further improving production efficiency.



RESPONDING TO CLIMATE CHANGE

Master Kong recognises its important responsibility in addressing climate change as an influential enterprise in the value chain. We put into practice the concept of "lucid waters and lush mountains are invaluable assets" and adhere to the basic national policy of conserving resources and protecting the environment. In line with the characteristics of our industry and our own circumstances, we formulate relevant policies, identify and evaluate the risks and opportunities brought by climate change, establish risk response mechanisms, while also seizing opportunities to promote sustainable corporate development. We endeavour to achieve resource recycling, explore potential energy-saving and carbon-reducing opportunities in each link of the value chain, and take joint actions with our upstream and downstream partners to actively respond to climate change.

Governance

Master Kong's climate change governance is embedded in the overall ESG governance structure. The Sustainable Development Committee oversees and manages all climate-related work and reports progress to the Board on a regular basis. Each year the Board and the Sustainable Development Committee review the achievement of the Company's ESG targets, including greenhouse gas emission targets. Senior executives of each business are responsible for climate-related management and implementing climate change initiatives within their functions. They should also guide their departments in collecting climate-related data and information.

Strategy

Master Kong identified and analysed the physical risks, transition risks and opportunities brought by climate change on the Company's assets and business activities. We take effective measures to mitigate or adapt to the impacts of climate change.

For physical risks, we assessed the impact of extreme weather such as floods, droughts, typhoons, heavy rains and snowstorms on material procurement, production, storage and transportation, and personnel safety. For transition risks, we identified the potential impacts of policy and regulatory, technology and equipment, and market and reputational risks. We have established response measures for each type of risks identified.



Table 1. Identification and response measures for physical risks

Impact area	Risk description	Risks response measures
Material procurement	<ul style="list-style-type: none"> The adverse weather conditions may lead to delayed or interrupted supply of raw materials, affecting production schedules. The reduction in agricultural production may result in higher prices of raw materials, which in turn results in rising production costs. 	<ul style="list-style-type: none"> We maintain long-term partnerships with a number of qualified suppliers for the same raw materials at the same time to ensure a wide range of suppliers' raw material supply, thereby mitigating the risk of interruptions in raw material supply. We conduct price analysis of raw materials to identify the types of raw materials that are significantly affected by weather and keep an eye on weather factors that may have an impact on their prices. We lock in prices in advance when entering into contracts with suppliers to control production costs.
Production	<ul style="list-style-type: none"> Cold weather causes frost damage to products and raw materials in factories, increasing operation costs. Drought climate reduces groundwater, affecting the supply of groundwater to natural water factories. Heavy rains and flooding cause groundwater pollution and turbidity, ultimately affecting production water supply. Typhoons frequently attack factories in coastal areas, such as roof damage in factories, water leakage in workshops and warehouses of finished products and raw material and factory area flooding, resulting in direct losses of factory assets and materials, as well as indirect losses such as production stoppages. Extreme weather causes energy interruptions, affecting factory production schedules and delivery timelines. 	<ul style="list-style-type: none"> In response to unexpected energy interruptions in special situations, we maintain regular communication with our suppliers, develop monthly and weekly energy consumption plans, and arrange production reasonably, while carrying out daily maintenance according to plan. Based on weather conditions, we require factories to make early preparations for raw material stocking to meet production demands. In conjunction with early warning information issued by meteorological authorities, we conduct comprehensive inspections of the factory in advance and rectify any potential hazards.
Storage and transportation	<ul style="list-style-type: none"> Cold weather causes frost damage to products and raw materials during the transportation process, increasing the investment in quality assurance. Severe weather such as heavy rains and flooding, heavy fog, heavy snow, etc., seriously affects the transportation of products and raw materials, causing stockouts and interruption. 	<ul style="list-style-type: none"> We keep an eye on the weather and stock up in advance, pay attention to the emergency situation of energy supply, drainage and hydropower from high-voltage power houses, and develop response measures. If any abnormality is found, timely report it to the higher-level government units for handling. Strictly follow the Company's <i>Product Quality Manual</i> to improve product protection, thus ensuring product quality.
Personnel safety	<ul style="list-style-type: none"> Extreme weather and climate disasters pose a threat to personnel safety. 	<ul style="list-style-type: none"> Perform comprehensive analysis of the likelihood of various natural disasters based on the geographical and environmental characteristics, and formulate the <i>Special Emergency Plan for Natural Disasters</i> to identify the types and degree of danger posed by natural disasters that threaten the normal production and operation of the business. Conduct training and regular drills for employees in accordance with the requirements of the emergency plan, so that in the event of a major natural disaster, we can promptly carry out rescue operations according to the predetermined plan, effectively control the disaster in a short time, and ensure the safety of employees and company property.



Table 2. Identification and response measures for transition risks

Risk type	Risk description	Risks response measures
Policy and regulatory	<ul style="list-style-type: none"> Since the announcement of Carbon Peaking and Carbon Neutrality target in 2020, a series of national policies has been published. In the future, the government may introduce more stringent policies and regulations to reduce carbon emissions, potentially increasing the Company's compliance costs. Failure to comply with national emission reduction policies and regulations could expose the Company to legal risk. 	<ul style="list-style-type: none"> Comply with and actively respond to national policies on carbon emission reduction, advancing energy saving and carbon reduction initiatives. Conduct forward-looking analysis of policy trends, formulate a long-term low-carbon development roadmap, and strive to ensure the Company can meet future policy and regulatory requirements for carbon-emission reductions.
Technology and equipment	<ul style="list-style-type: none"> Continuous advances in technologies and equipment aligned with green, low-carbon principles mean that failure to upgrade the technologies and equipment used in our operations in a timely manner could increase the Company's operating costs. 	<ul style="list-style-type: none"> Keep abreast of and adopt advanced technologies and equipment that raise energy efficiency, cut carbon emissions and utilise clean energy, and are in line with green and low-carbon principles. Increase R&D investment to drive the development of high-efficiency, low-emission technologies and equipment.
Market and reputational	<ul style="list-style-type: none"> Consumers' preference for low-carbon products is constantly increasing, while capital markets are also placing greater emphasis on companies' responses to climate change. Failure to offer products with low-carbon attributes could erode the Company's market competitiveness. If the Company does not take proactive action on climate change, its reputation may be impaired. 	<ul style="list-style-type: none"> Start with raw materials, production processes and packaging to explore ways to lower product carbon footprints, and commit to developing lower-carbon and more sustainable products. Actively implement energy-saving and carbon-reducing projects across operations, accelerate the Company's low-carbon transformation, and continue to lead partners along the value chain in joint decarbonisation efforts, working with the industry to tackle climate change.

In terms of transition opportunities, we have actively optimised the design of our existing products, launched "carbon-neutral" and "label-free" products, and implemented several rPET projects, incorporating the concept of sustainable development into the entire life cycle of our products, in response to the growing trend of consumers choosing green and environment-friendly products in the low-carbon economic development era. In the future, we will continue to establish and improve climate change-related policies, explore opportunities for green and environmental attribute products, and contribute to the low-carbon development of the industry.



Risk Management

Master Kong has embedded responsibilities on climate risk into its existing risk management framework and built a systematic process covering risk identification, assessment, evaluation and control to manage climate-related risks in a standardised manner. Going forward, we will integrate climate risk fully into the Company's overall risk management system, further emphasise its importance, and continuously advance climate risk management.



Metrics and Targets

In 2024, the Company continued to carry out carbon inventory work, covering the upstream and downstream of value chain, calculating Scope 1 and Scope 2 carbon emissions data, and estimating the main Scope 3 carbon footprint in upstream and downstream of the value chain. In this inventory, we reviewed the carbon reduction results in the past years, prompting all businesses of the Company to further understand their own emissions to carry out targeted carbon reduction work and promote healthy competition in ESG internally. At the same time, during the carbon inventory process, the Company promoted the concept of carbon emissions and carbon reduction to all relevant units to enhance their awareness of carbon reduction and climate change, helping to relieve the negative effect of industrial transition and climate change. Based on the carbon emission data from the past three years, the Company is discussing and planning a carbon-neutral path for the short, medium, and long term, which will be disclosed to the public in due course.

In addition, while continuously promoting carbon reduction in our operations, we have completed the carbon footprint calculation for core products such as Master Kong Iced Tea and Braised Beef Noodles, from cradle to gate, and will gradually expand the scope of calculation to the downstream value chain, ultimately achieving carbon emission reductions across the entire value chain. Our

current carbon reduction initiatives involve sustainable sourcing, energy-efficient production, green logistics and transportation, sustainable packaging, and green refrigeration for distributors. In the future, we will design more carbon reduction projects that cover more links of the value chain, driving low-carbon development, transformation and upgrading in the industry chain and supply chain.

In 2024, as a forward-thinking enterprise in the field of low-carbon development, Master Kong was awarded the title of "Green and Low-Carbon Partner" by Shanghai Municipal Commission of Economy and Informatisation and the Office of the Organising Committee of Shanghai Energy Conservation Week. It was also invited to participate in the Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements (the "Carbon Expo"). We showcased two low-carbon technologies, namely degradable bio-based material PHA produced by microbial fermentation of waste oil and biodegradable tea residue PLA 3D printing material. In the future, Master Kong is committed to continuing the collaboration with partners from all sectors to discuss and share new ideas for carbon reduction and green development, sharing experiences and achievements in green management, and contributing to the formulation of policies and industry development for low-carbon development.



▲ Master Kong was awarded the title of "Green and Low-Carbon Partner" and participated in the Carbon Expo

SUSTAINABLE SOURCING OF RAW MATERIALS

When selecting suppliers, we pay attention to the environmental performance of their products and services. With the same condition, we will give priority to environment-friendly products. We pay particular attention to potential risks arising from the production of certain raw materials such as paper products and palm oil and give preference to suppliers holding sustainability-related certificates when selecting suppliers of these materials. We encourage suppliers to strengthen traceability and certification of raw materials. We hope to reduce the negative impact on natural resources, the environment, and society brought by raw materials through sustainable and responsible procurement. All of Master Kong's paper suppliers for paper boxes and cartons hold Forest Stewardship Council (FSC) certification. 100% of palm oil suppliers of the Instant Noodles Business have obtained Roundtable on Sustainable Palm Oil (RSPO) certification, and 100% of its flour, beef, pork and poultry suppliers are FSSC 22000 certified. For the white sugar suppliers of the Master Kong Beverage Business and Pepsi Beverage Business, 30% of the total supply comes from suppliers that have obtained the Bonsucro certificate. 100% of the oil and fat suppliers to the Bakery Business are RSPO-certified.





ENVIRONMENTAL KEY PERFORMANCE INDICATORS

In 2024, Master Kong's environmental Key Performance Indicators are listed below. Unless otherwise stated, the statistics scope of environmental data⁽¹⁾ covers the Master Kong building in Shanghai and all domestic factories directly managed⁽²⁾ by each business, while overseas offices are not included in the scope of statistics for the time being due to their small scale, and will be disclosed in due course according to the actual situation.

TOTAL GREENHOUSE GAS EMISSIONS ⁽³⁾ (SCOPE 1 & SCOPE 2) ⁽⁴⁾ (10,000 TONNES)	202.83
SCOPE 1 GREENHOUSE GAS EMISSIONS (10,000 TONNES)	16.05
SCOPE 2 GREENHOUSE GAS EMISSIONS ⁽⁴⁾ (10,000 TONNES)	186.78
GREENHOUSE GAS EMISSIONS PER RMB'MILLION OF SALES (TONNES/RMB'MILLION OF SALES)	25.15
TOTAL COMPREHENSIVE ENERGY CONSUMPTION ⁽⁵⁾ (MWH)	4,939,188.09
COMPREHENSIVE ENERGY CONSUMPTION PER RMB'MILLION OF SALES (MWH/RMB'MILLION OF SALES)	61.24
ELECTRICITY ⁽⁶⁾ (MWH)	1,732,687.30
ELECTRICITY CONSUMPTION PER RMB'MILLION OF SALES (MWH/RMB'MILLION OF SALES)	21.48
PETROL AND DIESEL (MWH)	2,781.49
NATURAL GAS AND COAL (MWH)	816,857.35
LIQUEFIED PETROLEUM GAS (MWH)	477.12
PURCHASED STEAM (MWH)	2,386,384.84
TOTAL WATER USE ⁽⁷⁾ (M ³)	53,493,006.74
WATER CONSUMPTION PER RMB'MILLION OF SALES (M ³ /RMB'MILLION OF SALES)	663.27
TOTAL PRODUCT PACKAGING MATERIALS USED ⁽⁸⁾ (TONNES)	1,223,752.36
PRODUCT PACKAGING MATERIAL USED PER RMB'MILLION OF SALES ⁽⁸⁾ (TONNES/RMB'MILLION OF SALES)	15.17
TOTAL CHEMICAL OXYGEN DEMAND (COD) EMISSIONS ⁽⁹⁾ (TONNES)	143.89
TOTAL HAZARDOUS WASTE (TONNES)	604.69
HAZARDOUS WASTE EMISSIONS PER RMB'MILLION OF SALES (TONNES/RMB'MILLION OF SALES)	0.01
TOTAL NON-HAZARDOUS WASTE (TONNES)	189,101.94
NON-HAZARDOUS WASTE EMISSIONS PER RMB'MILLION OF SALES (TONNES/RMB'MILLION OF SALES)	2.34

	(1) Based on the nature of Master Kong's business, the main gas emissions in 2024 are greenhouse gases, mainly from the use of electricity and fuels converted from fossil fuels. Compared with 2023, Master Kong has further reduced the use of fossil fuels such as natural gas and coal, along with continued reductions in Sulphur dioxide (SO ₂) and oxynitride (NO _x) emissions, the impact of which is minimal and therefore not disclosed as a major gas emission in the current year.
	(2) The domestic plants under the direct management of each of Master Kong's businesses include all plants of the Instant Noodles Business, Master Kong Beverage Business and Bakery Business located inside the country, as well as the Pepsi Beverage Business' plants in Harbin, Changchun, Beijing, Zhengzhou, Nanchang, Chongqing, Guangzhou and Jiedong.
	(3) The scope of greenhouse gas accounting for Master Kong mainly covers carbon dioxide, methane and nitrous oxide. The greenhouse gas emission data is presented in terms of carbon dioxide equivalent and calculated in accordance with the <i>Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas List (Revised in 2019)</i> . The greenhouse gas emissions from purchased or acquired electricity are calculated using the national average carbon dioxide emission factor for electricity, as published in the <i>Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors by the Ministry of Ecology and Environment of the People's Republic of China</i> .
	(4) Scope 1: covers greenhouse gas emissions directly generated by the Company's operations. Scope 2: greenhouse gas emissions from "indirect energy" resulting from the Company's internal consumption (purchased or acquired) of electricity and purchased steam.
	(5) The comprehensive energy consumption is calculated through direct and indirect energy consumption, based on the conversion factors of the National Standard of the People's Republic of China General Rules for Calculating Comprehensive Energy Consumption (GB/T 2589-2020).
	(6) Electricity includes purchased electricity (including renewable and non-renewable electricity) and self-generated renewable energy generation (12,383 MWh).
	(7) Water consumption is for production and employee office use within the scope of the statistics. We have no problem in finding the applicable water sources.
	(8) The amount of product packaging materials used is the total amount of major packaging materials used for all items of products in each of Master Kong's businesses.
	(9) The total COD emissions are the sum of the COD produced by all the plants within the statistical scope and the final emissions after treatment by municipal sewage treatment plants.



CREATE AN EXCELLENT WORKPLACE AND SHARE “LIFE + DELICACY”

Master Kong regards its employees as its most valuable asset and the core driver of sustainable corporate development. We steadfastly safeguard the legitimate rights and interests of our employees, place high importance on building occupational health and safety systems, diligently nurture their development and growth, and work hand-in-hand with our employees to collectively shape Master Kong's corporate culture.

Deeply Develop Human Resources and Create an Excellent Workplace	75
Promote Staff Healthy Growth and Development, Create a Smart Workplace	79
Safeguard Employee Health and Safety to Create a Secure Workplace	81
Build a Corporate Culture and Create a Better Workplace	85
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Deeply Develop Human Resources and Create an Excellent 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 of the People's Republic of China on the Protection of the Rights and Interests of Women*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Persons with Disabilities*, the *Regulations on the Employment of Persons with Disabilities*, the *Regulations on the Prohibition of Child Labour* and relevant laws and regulations, and has accordingly formulated the *Measures for Recruitment of Staff*, the *Management Measures for Labour Contract*, *Human Resources Approval Authority*, *Attendance Management Measures*, the *Management Measures of Staff Promotion*, the *Management Measures of Staff Resignation*, *Probationary Appraisal Measures for Colleagues*, the *Management Measures of Staff Rewards and Punishments*, as well as other internal systems. Furthermore, Master Kong rigorously adheres to international conventions such as the *Forced Labour Convention* and the *International Labour Standards (ILS)* established by the International Labour Organisation (ILO). Each business has formulated and constantly optimised human resource-related systems and measures according to its actual operational conditions to regulate the signing and termination of labour contracts, so as to ensure that all employment processes, including recruitment, probation, and resignation, are conducted in strict compliance with relevant regulations, and to effectively protect the legitimate rights and interests of employees. The



Company has implemented a series of labour risk mitigation measures and made concrete commitments regarding labour practices. These efforts comprehensively cover the Company's own business operations and extend to our contractors and partners.

Equal Employment

The Company insists on the principle of equal employment and provides fair job opportunities to all individuals. We strictly prohibit any form of workplace discrimination or harassment. Candidates are not treated differently based on ethnicity, race, gender, religious beliefs, or other characteristics. We oppose all forms of forced labour and child labour and explicitly prohibit such situations in relevant human resources policies. We strictly examine identity documents when recruiting. If forced labour or child labour is found, we will strictly follow the requirements of the local labour bureau to handle it while immediately stopping their work. The Company's internal control and auditing departments conduct reviews on recruitment and employment from time to time to avoid forced labour, harassment, and discrimination, and take immediate corrective actions when issues are detected. In addition, the Company requires all partnered third-party labour dispatch or contracting companies to comply with relevant regulations to prevent child labour and forced labour in its own operations and among its partner suppliers. Employee training covers topics including the Code of Conduct, anti-discrimination policies, and workplace harassment prevention, while providing reporting channels (e.g., email, hotline, in-person meetings) through which employees can report violations to group compliance offices or relevant functional departments. In special

circumstances such as large-scale layoffs, the Company sets minimum consultation or notice periods to provide employees with necessary transition time. In 2024, no major incidents of discrimination, harassment, or inequality occurred.

The Company continues to recruit a certain proportion of employees with disabilities, providing them with fair employment opportunities and salary and welfare guarantees. This year, the Company has 356 employees with disabilities and recruited 12,334 new employees. 28.75% of open positions were filled by internal candidates, and the Company's average hiring cost was RMB 2,818.58 per person.

Number of newly hired male employees: 9,754

Number of newly hired female employees: 2,580

Number of newly hired employees under the age of 30 (not inclusive): 7,846

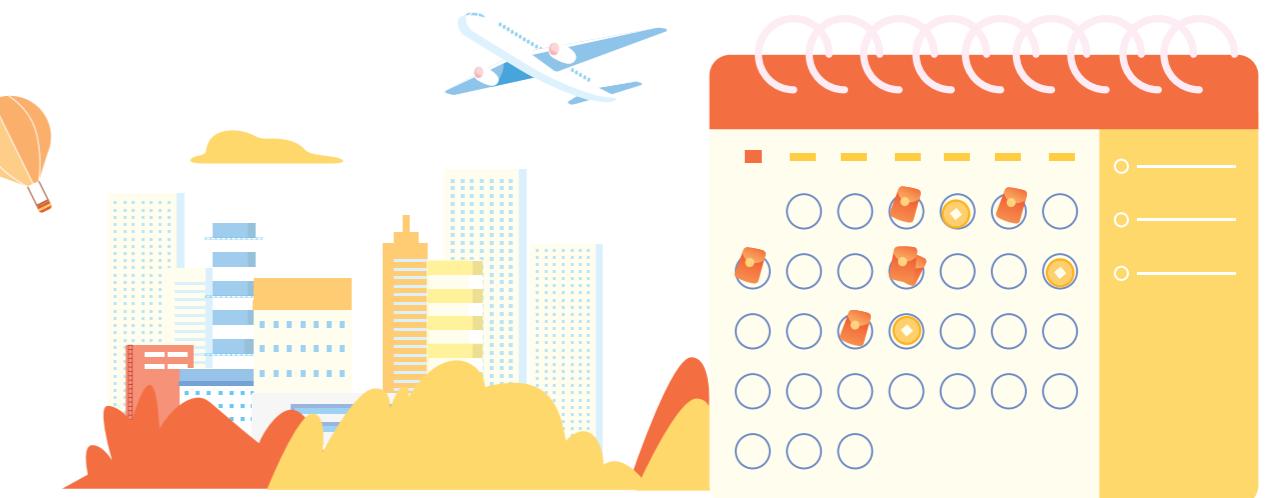
Number of newly hired employees aged 30 to 50 (both inclusive): 4,468

Number of newly hired employees above the age of 50 (not inclusive): 20

Diverse Workplace

The Company is committed to creating a diverse and inclusive workplace, firmly opposing and prohibiting any form of discrimination, harassment, or inappropriate behaviour based on gender, age, ethnicity, race, region, religious belief, or physical condition. We fully respect employees' cultural backgrounds, political beliefs, religious beliefs, and ethnic customs. The Company encourages gender diversity among management and employees, and pays attention to the obstacles that female employees may encounter in the workplace and provides support, including the issuance of the *Measures for the Labor Protection of Female Employees*, setting a salary structure for equal pay for equal work,

implementing marriage leave, maternity leave, breastfeeding leave and other types of leave, setting nursing rooms, and supporting the career development of female employees. In 2024, there were 741, 382 and 22 females in the Company's junior, middle and senior management respectively, accounting for 13.29%, 23.22% and 10.23% of personnel in these management levels. We have 557 female managers in sales department and 191 female managers in production sector. The proportions of female employees in management positions of sales and production were 12.04% and 9.09% respectively. We have 103 female employees in R&D, accounting for 40.87% of the total.



Rest and Vacation

In strict compliance with relevant national laws and regulations, Master Kong explicitly indicates the working hours and holidays of its employees in the labour contract. Each business periodically verifies employees' working hours through internal systems, striving to minimise unnecessary overtime. In accordance with legal requirements, maximum working hour standards are established, overtime duration is strictly controlled, and overtime compensation is provided in the form of premium pay or time off in lieu, as mandated by law.

Depending on the nature of the position, the Company arranges for some employees to adopt flexible working hours and, where necessary, allows them to work from home, providing a flexible and humane work model.

The Company fully respects employees' right to leave, ensuring that they can enjoy paid annual leave without any reduction in benefits or compensation during their time off. In addition, employees are provided with various leave benefits, including personal leave, sick leave, marriage leave, bereavement leave, maternity leave, work-related injury leave, paternity leave, breastfeeding leave, parental leave and home leave. The Company actively implements relevant government policies and encourages employees to arrange their vacation plans based on their needs, while amending its internal rules and regulations in accordance with new local regulations to effectively protect the rights and interests of employees to rest.



Remuneration and Benefits

Master Kong has established a well-rounded salaries and benefits management system, formulating salary management measures such as the Administrative Measures on Remuneration, the Measures on Performance-Based Bonuses and Penalties, the Supporting Measures on Annual Salary System, the Employee Welfare Management Methods, and the Relocation Benefits Measures for employees, such as salary, performance bonuses and year-end bonus. It also pays "five insurances and one fund" in full for employees in strict compliance with the requirements of the *Social Insurance Law of the People's Republic of China* and the *Regulations on the Administration of Housing Provident Fund* and other national laws and regulations. Depending on their situation, each business has developed salary management methods which specified salary, performance bonuses and year-end bonuses, and employee welfare management methods while adopting diverse incentives such as monthly, quarterly and annual awards so as to stimulate employee enthusiasm.

The Company has established a robust labour practices management system. We periodically review whether employee wage levels meet their basic living needs, and set relevant requirements when bidding and signing contracts with suppliers/other third parties to ensure the fulfilment of fundamental living requirements for all employees. Furthermore, based on local living costs, we scientifically and reasonably set wage standards to provide market-competitive compensation. In accordance with policies, we promptly adjust insurance and housing fund contribution rates as well as salary benchmarks on an annual basis, continuously improving overall remuneration.

The Company's system monitors internal salary payment in real time and the salary payment by external suppliers to their employees is sampled by the engaging unit, and no violation was identified this year.

The Company regularly monitors and assesses gender-based pay disparities, implements the principle of equal pay for equal work, resolutely eliminates gender discrimination, and ensures fair and impartial compensation distribution. This year, the Company's average and median of gender wage gap and bonus gap are all zero.

The Company has established a labour union and regularly distributes employee benefits, including annual health check-up products, stationery and sporting goods, recreational items, and food products. To ensure food safety and balanced nutrition, the Company offers cafeteria dining services for employees. In addition, a dedicated reading area is available for employees to enjoy books and periodicals during their leisure time, encouraging continuous learning and self-improvement. We provide additional subsidies for staff such as high temperature/high cold, meals, transportation, heating, and rental subsidy. We also provide soft benefits such as travel, birthday gifts, holiday benefits, and health check-ups for our employees. This year, the Company significantly increased standards for employee benefits and gifts such as marriage and childbirth, effectively enhancing employee satisfaction. In 2024, trade unions have covered 100% of Master Kong's employees at all levels.



▲ Reading and rest Area



▲ Trade union "Goddess Festival" activity

Performance Evaluation

The Company established diversified performance assessment methods for different positions and evaluates employees' work objectives, capabilities (including key behavioural indicators) and development plans every six months, with different focuses for different positions. Building on this foundation, the Company has integrated a team-based performance evaluation model. This approach comprehensively assesses employees' roles and value within teams through multiple dimensions, including achievement of team objectives, degree of member collaboration, and contributions to business outcomes. It aims to incentivise employees to enhance teamwork and drive the development of both teams and the Company's business.

To enhance the dynamic adaptability of performance assessments, the Company has introduced an "agile conversation" approach to evaluations. This method requires managers to conduct regular one-on-one in-depth conversations with employees, providing timely feedback, guidance, and adjustment suggestions based on business progress and individual performance. It helps employees quickly clarify their work priorities and improve their effectiveness. Master Kong has 360-degree performance review for managers, inviting staffs of different levels to evaluate to ensure a just and fair evaluation. Each business establishes performance management methods according to the situation, and groups

employees for annual, quarterly, and monthly performance-based salary incentives, guiding employees to improve their abilities and achieve better career development.

Furthermore, Master Kong integrates sustainability performance into the evaluation of employee performance bonuses and year-end bonuses, incorporating ESG metrics into management assessments to drive deep alignment between ESG goals and employee incentive mechanisms. The Company links year-end bonus evaluations to the achievement of annual sustainability objectives, such as carbon reduction, environmental protection, fire safety, and accident prevention. In case of major risk incidents (e.g., employee casualties), year-end bonuses will be reduced by a predefined percentage. For performance bonuses, frontline sales personnel receive special incentives for packaging recycling, encouraging the collection and reprocessing of packaging materials after sales to promote resource circularity and energy conservation. We also set key performance indicators include energy/water/steam consumption per unit output, compliance rates for environmental/fire safety/legal incidents, achievement rates of energy-saving targets, zero workplace accident rates, and participation/pass rates in occupational health training. These initiatives advance sustainable development through energy conservation, cost reduction, efficiency improvement, and workplace safety.



Digital Transition of Human Resources

Master Kong actively advances the digital transition of human resources by continuously optimizing personnel and payroll processes, enabling online one-stop operations and streamlining workflows. During the year, the Company launched the Human Resources BI data dashboard project to build intelligent reports, integrate data from various functional businesses, and update the report data in real time to facilitate cross-analysis of business data. The Company continues to optimise its electronic personnel file system to improve efficiency and effectiveness in document management and promote paperless offices. In addition, the Company vigorously promotes electronic contract signing, enhancing the efficiency of official seal approval and usage while reducing the workload on employees.

Furthermore, to help employees adapt more quickly to digital tools and workflows in the workplace, the Company actively promotes diversified training programs for their digital transition. This year, in collaboration with external educational institutions, Master Kong co-organised the "Enhancing Skills, Advancing with Innovation" enterprise training initiative, focused on cultivating skilled professionals in industrial robotics applications to drive the development and implementation of industrial robots on production lines. In addition, the Company conducted training on the use of AI-powered intelligent tools, aiming to enhance employees' work efficiency.



PROMOTE STAFF HEALTHY GROWTH AND DEVELOPMENT, CREATE A SMART WORKPLACE

Master Kong consistently upholds the "people-oriented" philosophy and attaches great importance to talent development and training. The Company has established internal systems such as the *Measures on Standard Operation Teaching and Training*, the *Administrative Measures on Internal Trainers*, the *Administrative Measures on Functional Training System* and the *Management Measures of Staff Promotion* to continuously advance the standardisation and systematisation of its talent training system, while constantly improving the employee promotion mechanism to foster mutual growth between employees and the enterprise.

In terms of training methods, the Company continuously explores innovations to enhance the effectiveness of its programs. The Company maintains a long-term collaboration with external professional training institutions, including many of the world's leading institutions. We work together to create training programmes that are tailored to the actual needs of Master Kong, providing forward-looking and scientific knowledge and skills for our employees. We conduct post-training tracking to evaluate the effectiveness of our training programs and form a closed-loop management system for the entire process. We adopt case-based teaching for training and offer a variety of training courses and projects. In addition, the Company continues to empower internal trainers by enhancing their teaching skills and professional capabilities, further improving the quality and effectiveness of the training and teaching. In addition, The Company actively expands online training forms, introduces live broadcasting of courses and continuously updates mobile learning resources. Employees can easily and conveniently participate in course learning and reinforce their capacities through channels such as the WeCom classroom and the official website learning platform of the Company. In 2024, the total training time reached 7.203 million hours, and the per capita training time was 112.0 hours, and the investment in employee training was RMB 43.6674 million.

The Company conducts a wide variety of specialised training based on employees' job levels, career development stages, and functional positions to systematically and specifically enhances their comprehensive abilities and professional qualities. The Company conducts quarterly Strategic Talent Review (STR) meetings to promote the development of key talent in critical positions, build a strategic talent pipeline, improve talent development platforms at all levels, and implement development and cultivation plans for individuals and teams in both current roles and reserve pool for high-level, middle-level, and entry-level management.

For new employees, to support them in quickly integrating into the team and mastering essential job skills, the Company offers a diversified onboarding training program. This includes a mentorship initiative and a newcomer trainee program. Upon joining, each new employee signs a mentorship agreement and is paired with a dedicated mentor who provides one-on-one guidance, offering continuous instruction on operational standards and business processes to help them rapidly acquire both theoretical knowledge and practical skills. Additionally, the Company establishes learning groups, each consisting of 4-5 employees from different departments with complementary potential. These groups participate in bimonthly offline training sessions and online collaboration activities to enhance both soft skills and professional competencies.

PEOPLE-ORIENTED

The Instant Noodle Business prepares specialised training program for new employees

In 2024, Master Kong's Instant Noodle Business customised both internal and external training courses for the new generation of employees. Supported by mechanisms such as mentorship and supervisor seminars, the average turnover rate of new employees decreased by 2.2%.

The Master Kong Beverage Business hosts new employee recognition

In addition to the standard onboarding training, Master Kong Beverage Business has implemented a special coaching program where experienced employees provide guidance to new hires and address their growth needs, to reduce new employee turnover and maintain a younger workforce structure. Additionally, the Business organises the "Pillar Seedling" award to recognise outstanding new employees. As a result, the annual turnover rate for new hires has decreased from 3.3% to 1.8%.



For the management, the Company has established the Leadership Empowerment Centre (LEC) to systematically enhance their leadership and management capabilities, and better shapes all-around excellent talents characterised by "Diligence, Integrity and Competence". During the year, the Company carried out specialised empowerment programs for management cadres, formulating precise individual development plans for managers and team management plans through scientific assessments and feedback, thereby comprehensively improving their management abilities. In addition, the Company offers on-the-job optional courses for the management, providing senior executives with various offline courses and external exchange opportunities on themes such as business management, sales, financial systems, and going global with digital intelligence, thereby comprehensively enhancing the professional and governance capabilities of the management.

The Company emphasises cross-cultural education and training for employees to enhance their awareness, understanding, and respect for different cultural backgrounds, customs, and perspectives. This year, the Instant Noodle Business launched a Halal food management training program. Through a combination of internal and external training, the program aims to

deepen the understanding of Halal food and professional management capabilities of supply chain department supervisors and the Halal management team.

Additionally, for female employees returning to the workplace after maternity leave, Master Kong Beverage Business has tailored a transition training program specifically for them. Direct supervisors and HR personnel engage in in-depth discussions with these employees to help them review current work progress, changes in departmental KPIs, and adjustments in organisational structure, thereby facilitating their smooth return to their roles.

Employee promotions in our Company are conducted according to the Management Measures of Staff Promotion, providing employees with a "dual channel" career development path. Employees can choose either a manager or a specialist career development channel based on their career planning. They can realise their career aspirations within the professional development channel or opt for cross-channel lateral development opportunities to obtain a broader development space in the management field. The salary and benefits of the employees will be increased accordingly when they are promoted.



SAFEGUARD EMPLOYEE HEALTH AND SAFETY TO CREATE A SECURE WORKPLACE

Master Kong strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Fire Services Law of the People's Republic of China*, and *Regulations on Supervision and Administration of Occupational Health at Work Sites*, thus issues a series of internal administration measures and emergency plans which are applied to all full-time, part-time employees and

contractors of the Company, such as the *Plant Environment Health and Safety Management Procedures*, the *Plant Environment Health and Safety Policy and Principles*, the *Hazard Identification and Risk Assessment Criteria and Method Standards* and *Work-Related Injuries Handling Procedures*, to provide an institutional guarantee for the implementation of safety production and prevention of occupational diseases.

Sound Management System

EHS

Environment Health and Safety

Safety production is always the top priority of the Company. The Sustainable Development Committee is the highest execution and responsibility authority concerning Environment, Health and Safety (EHS) management, and regularly listens to the work reports of each Business relating to EHS. The Company's Occupational Health and Safety Policy is approved by the Sustainable Development Committee and developed in consultation with employee representatives. Through scientific prioritisation assessments, establishment and review of quantitative targets, and rigorous implementation of safety production responsibilities, we conduct periodic evaluations to continuously enhance the effectiveness of our occupational health risk management system.

All Businesses have set up and improved health and safety management systems, and appointed EHS dedicated staff to formulate the EHS annual plan, target, and improvement plan, and guide and oversee the implementation of all security projects. To further strengthen production safety management at the grassroots level and implement safety supervision and inspection, each factory has set up an EHS team. The EHS team consisting of the safety manager and safety personnel takes



charge of security policy implementation, EHS compliance operation in the factory, daily safety training, potential risks identification and treatment and others. At the same time, we have appointed EHS dedicated staff to formulate the EHS annual plan, target, and improvement plan, and guide and oversee the implementation of all security projects.

In 2024, 93% of the Company's factories obtained ISO 45001 occupational health and safety management system certification. All Businesses have strictly complied with the requirement of the occupational health and safety management system and classify the mid- and long-term target and the core initiative of safety production to further reduce related risks.

Implementation of Safety Responsibilities

Master Kong strictly implements the safety responsibility system, establishes complete operating specifications and emergency handling mechanisms, and makes strict provisions on safety responsibilities, accident investigation and handling, aftercare for the injured, penalties for responsible individuals, to ensure the proper handling of sudden safety incidents. The Master Kong Beverage Business has formulated and strictly enforced accident management-related systems and comprehensive emergency response plans. Personnel at all levels have signed safety

production commitment letters, clarifying responsibilities and work requirements for safety production. The Bakery Business has established a *Responsibility System for Safe Production*, which requires all members to sign the *Safe Production Letter of Commitment*, and they can start working only after participating in three-level safety training and education. Additionally, to ensure the safety production of contractors, the Bakery Business has entered into the *Safety Agreement* with all contractors.



Health and Safety Goals

Master Kong has set health and safety goals covering all employees and all contractors. The Company reviews the achievement of the goals every year and updates the goals for the next year.

In 2024, Master Kong set a company-wide overall goal of achieving no occupational disease cases and no work-related fatalities. In addition, each business also set specific goals:

The Instant Noodles Business achieved the goal of a 5% reduction in the annual lost time incident rate (LTIR) as compared to 2023, and reached the goal of no occupational disease cases;

The Master Kong Beverage Business achieved the goal of a 10% reduction in LTIR as compared to 2023, and reached the goal of no occupational disease cases;

The Pepsi Beverage Business achieved the goal of a 5% reduction in LTIR as compared to 2023, and reached the goal of no occupational disease cases;

The Bakery Business had no serious accidents and reached the goal of no occupational disease cases.

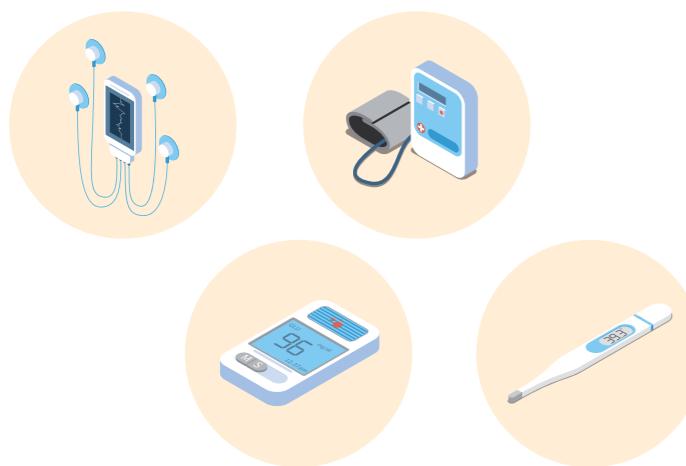
In 2025, all businesses will continue to work towards the overall goal of zero occupational disease incidence and zero work-related deaths. Meanwhile, the Master Kong's Beverage business and Pepsi Beverage business have both set annual targets of 10% LTIR declines compared to 2024.



Safeguard Employee Safety

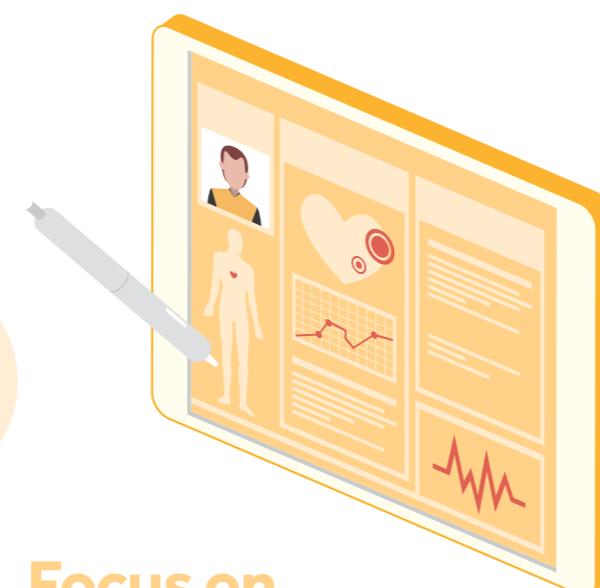
Master Kong strictly complies with relevant laws and regulations and continues to increase investment in safety hardware facilities to ensure the safety of employees during operations. The Company engages third-party company with relevant qualification for the detection and evaluation of occupational hazard factors for various positions. Based on the evaluation report, we provide employees in front-line jobs with occupational disease risks or high safety risks with a full range of protective gear, such as eye protection, chemical protective gloves, ear plugs and safety uniforms. In addition, we organise annual health checks for our staff and regular occupational health examinations for employees exposed to excessive hazards. Employees of special jobs require relevant licenses, and the Company ensures that they operate special equipment in full compliance with legal requirements, and conducts regular inspections, maintenance, and repairs. For frontline business personnel, we distribute safety

helmets, anti-haze masks, customised winter down jackets, knee pads, and winter jackets in winter, and distribute sunstroke prevention drinks and medicines in summer, effectively reducing the health impacts on employees caused by the work environment. All new employees are required to receive safety training before they are allowed to work in production operations. The Company takes safety factors into consideration in the layout of the factory, equips various safety facilities and sets up safety signs. We post occupational hazard notification cards, safety operation procedures, and warning signs to ensure that employees work in a safe environment. In addition, the Company also requires all third-party labour and business outsourcing units to undergo safety knowledge training and examination before entering the Company to comprehensively safeguard the safety of employees within the Company's operational areas.



Cultivation of Health and Safety Awareness

The Company attaches great importance to promoting and training employees in health and safety, enhancing their awareness of safety precautions. The Company regularly conducts safety promotions to strengthen monitoring of occupational hazard factors. The three-level safety training and education (factory level, workshop level, team level) has been carried out to comprehensively improve employees' safety awareness and self-protection ability. All production bases also set up EHS specialists to continuously carry out safety education, and regularly organise EHS skills training and competitions. In addition, the Company conducts regular fire safety drills and practical exercises with fire-fighting equipment to enhance employees' awareness of fire safety and their ability to protect themselves. In 2024, Master Kong Beverage Business held a Safety Star selection activity to raise employees' safety awareness through bonuses and honorary incentives.



Focus on Employee Health

Master Kong recognises that employees' physical and mental health is fundamental to maintaining a dynamic organisation. The Instant Noodle Business establishes employee health records based on their health monitoring data, enabling health analysis and tracking, anomaly alerts and health interventions for employees. This allows for the timely identification and detection of potential health risks among employees, thereby improving their health status.



▲ Smart Healthcare Management Platform



In addition, the Company provides employees with a gym and advocates active exercise, while collaborating with professional institutions to provide services such as employee health consultations and sharing of dietary and nutritional knowledge, showing care for employees' physical and mental well-being.

The Company places equal emphasis on employees' physical and mental health. Internally, we have appointed Mental Health Ambassadors and empowered relevant personnel such as the union chair and the HR supervisor with mental health knowledge. We also implement an Employee Mental Health Assistance Program to proactively identify signs of emotional distress. Externally, we have established an employee psychological counselling platform, regularly organised mental health awareness activities, and provided a 24/7 counselling hotline and the online one-on-one expert consultation. When abnormal psychological conditions are detected, we collaborate with third-party partners to initiate crisis intervention procedures. In

2024, this program has been extended to all employees across the group.

The Company also creates an office area with a comfortable temperature, ample lighting and high greenery coverage for employees, and sets up reading and rest areas to provide a cozy and welcome working environment and alleviate work pressure. In 2024, the Company partnered with a professional firm to launch KSF's Mental Health Station, and popularised and shared mental health knowledge with employees through a digital platform. It also established a psychological feedback channel for employees, encouraging them to proactively report psychological distress and abnormal feelings through professional psychological assessment software and an online physical and mental health platform. Meanwhile, professional psychological counsellors were invited to provide psychological guidance for employees, helping them to manage negative emotions, alleviate work-related stress, and adjust their mindset.



BUILD A CORPORATE CULTURE AND CREATE A BETTER WORKPLACE

The healthy and sustainable development of an enterprise is rooted in an excellent corporate culture. Under the background of macroeconomics with "pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old", the Company will keep a close watch on corporate culture and values to match the times. The Company has established a culture-building committee that promotes team collaboration and is headed by Chairman Wei Hong-Ming and Chairman Wei Hong-Cheng, and has nine core senior managers as members.

Guided by "KSF WAY", the Company has built an ecological culture system featuring "KSF WAY as the Core, Synergizing with Business Unit Cultures, embracing responsibility and self-motivation". Based on systematically inducing and elaborating Master Kong's mission, vision, business philosophy, people and core values, the Company places the orientation and cohesion function of culture and accelerates the corporate management and transformation upgrading.

During the year, the Company established a comprehensive and multi-dimensional cultural empowerment system tailored for personnel at different levels and functions, promoting "younger leadership and diversified talent", introduced a course model of "Corporate Culture Mystery Game" to stimulate the learning initiative of trainees, and held a competition for optimizing the courseware of front-line cultural construction lecturers to enhance training effectiveness. It cultivated a total of 119 cultural construction lecturers who obtained the international Train the Trainer (TTT) certification, achieving 100% coverage of front-line cultural construction inspections, and integrated cultural construction into management training, empowering 2,970 supervisors, while corporate culture training covered 12,450 new and grassroots employees.



▲ Annual Victory Assembly of the Instant Noodles Business

▲ The 4th Road to Extraordinary of the Master Kong Beverage Business

Pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old

In 2024, each business of the Company carried out different characteristic activities. The Instant Noodles Business held its annual Victory Assembly, rallying warmth with a spirit of determination, inspiring colleagues to unite, overcome challenges, and drive business growth; the Master Kong Beverage Business hosted the 4th Road to Extraordinary to recognise 179 outstanding frontline supervisors, showing its recognition for high-performing employees to frontline staff across the nation; the Pepsi Beverage Business introduced an innovation-driven culture - the Pepsi Innovation Initiative, creating an innovation triangle matrix that integrates ESG concepts to promote sustainable development. Additionally, events such as the Pioneer Collection in Peak Sales Season essay solicitation event and "ROAD TO GLORY" ceremony were held to highlight the outstanding contributions of front-line employees and set elite benchmarks.



▲ "ROAD TO GLORY" of the Pepsi Beverage Business



▲ "Embracing Responsibility and Self-Motivation and Creating Our Way to The Future" 2024 Annual Cultural Construction Conference



▲ KSF WAY Cultural Animation

In 2024, centred on the core of "embracing responsibility and self-motivation", Master Kong held the Company's annual highest-level cultural event with the theme of "embracing responsibility and self-motivation and creating our way to the future", with 133 core executives attending. It held the "Annual Cultural Achievement Exhibition", which was open to internal employees and external guests, aiming to strengthen long-term publicity. Additionally, it serialised eight episodes of the original "KSF WAY Cultural Animation", featuring exemplary stories and voiced by 41 employees, creating Master Kong's own "KSF Way Comic Universe". For the eighth consecutive year, the Company continued to recognise Master Kong employees who exemplified cultural behaviours. During the year, with "accountability, sincerity, and innovation" as the cultural core, a total of 4,088 incidents were self-reported by employees, representing a year-on-year increase of 63.4% and reaching a record high. The Company also revitalised its cultural IP "Kang Xiaowen", transitioning from "Cultural Construction Reporter" to "Cultural Construction Explorer", demonstrating Master Kong's determination to fearlessly explore and practice for the future.



KSF Way



▲ Rejuvenated Cultural IP "Kang Xiaowen"

Corporate culture serves as the foundation and core of an employer brand, and an attractive employer brand will further strengthen and disseminate corporate culture, so that corporate culture can be widely recognised and supported. In August 2024, Master Kong stood out among 635 domestic and international enterprises, winning China's first employer award in diversity, equity, and inclusion (DEI) - the "2024 DEI Employer Awards" by Employer Branding Institute. In September 2024, Master Kong was honoured with the title of "2024 Best Employer of the Year in China" by Forbes for its achievements in talent development, cultural construction, employment innovation, and exploration of "sustainability". It also won the "Most Popular Employer" and "Best ESG Practice Employer".

Master Kong places great emphasis on employee communication. The labour union regularly inspects the working conditions of frontline staff and dispatches worker representatives for periodic dialogues to genuinely understand employees' most authentic feedback. We also oversee the implementation of suggestions by relevant responsible departments. Every two years, the Company conducts the

employee satisfaction survey to identify common issues and foster a caring work environment. This year, Master Kong Beverage Business conducted a Gallup Q12 employee engagement survey, focusing on job satisfaction, well-being, work stress, teamwork, learning and growth, and work purpose, with the aim of continuously enhancing employees' sense of belonging and cultural identification. Feedback from employees is taken seriously by management at all levels, who promptly develop action plans and ensure their strict implementation.

The blossoming of the corporate culture is inseparable from the diligent efforts and care of every Master Kong employee, as well as the recognition and encouragement of industry peers. In the future, Master Kong will continue to uphold the philosophy of "Serving the Frontline of Cultural and Educational Services, Supporting Business", integrating "KSF WAY" into its development framework. By promoting the deep integration of corporate culture with practical work, Master Kong aims to solidify its long-term success on the foundation of culture while leveraging its cultural soft power to endorse its industry-leading products.

Honorary Awards



▲ 2024 Forbes Best Employer of the Year in China



▲ 2024 Forbes Most Popular Employer of the Year in China



▲ 2024 Forbes Best ESG Practice Employer of the Year in China



▲ DEI Employer Award (China) 2024



▲ Best HR Program of 2024 OneFLAG Awards





HUMAN KEY PERFORMANCE INDICATORS

Employment Category Indicators⁽¹⁾

Indicators	Data	
Total number of employees⁽²⁾	64,802	
Number of employees by gender	Male	43,577
	Female	21,225
Number of employees by age	Under the age of 30 (not inclusive)	17,892
	Aged 30 to 50 (both inclusive)	45,557
Number of employees by management level	Above the age of 50 (not inclusive)	1,353
	Junior management	5,577
Number of employees by type of employment	Middle management	1,645
	Senior management	215
Number of employees by region	Full-time employee	64,802
	Part-time employee	0
Number of employees by ethnicity	Employee in North China	14,011
	Employee in Northeast China	6,256
Number of employees by ethnicity	Employee in Northwest China	6,598
	Employee in East China	14,346
Number of employees by ethnicity	Employee in Central China	6,811
	Employee in South China	9,779
Number of employees by ethnicity	Employee in Southwest China	6,956
	Employee in foreign regions	45
Number of employees by ethnicity	Han	60,287
	Zhuang	521
Number of employees by ethnicity	Hui	854
	Manchu	788
Number of employees by ethnicity	Miao	270
	Other ethnic groups	2,082

(1) Employment category indicators are consistent with the "2024 Annual Report - Management's Discussion and Analysis - Human Resources" Chapter.

(2) The total number of employees is the total number of employees of Master Kong and its subsidiaries.

Indicators	Data
Total employee turnover rate⁽³⁾	24.5%
Voluntary employee Turnover Rate ⁽⁴⁾	21.1%
Total employee turnover rate by gender	
Male	26.4%
Female	20.6%
Voluntary employee turnover rate by gender	
Male	23.2%
Female	16.9%
Total employee turnover rate by age	
Under the age of 30 (not inclusive)	44.1%
Aged 30 to 50 (both inclusive)	16.9%
Above the age of 50 (not inclusive)	20.0%
Voluntary employee turnover rate by age	
Under the age of 30 (not inclusive)	39.2%
Aged 30 to 50 (both inclusive)	14.5%
Above the age of 50 (not inclusive)	4.9%
Total employee turnover rate by region	
Employee in North China	25.8%
Employee in Northeast China	19.7%
Employee in Northwest China	28.5%
Employee in East China	21.1%
Employee in Central China	28.4%
Employee in South China	25.3%
Employee in Southwest China	24.2%
Employee in foreign regions	24.4%
Voluntary employee turnover rate by region	
Employee in North China	20.5%
Employee in Northeast China	15.7%
Employee in Northwest China	23.7%
Employee in East China	18.9%
Employee in Central China	25.4%
Employee in South China	23.6%
Employee in Southwest China	21.9%
Employee in foreign regions	22.2%

(3) Total employee turnover rate = number of employees who left their jobs (including voluntary departure, retirement, dismissal and death) in the reporting year/total number of employees in the reporting year x 100%.

(4) Voluntary employee turnover rate = number of employees who voluntarily left their jobs in the reporting year/total number of employees in the reporting year x 100%.



Health and Safety Indicators

Master Kong

Indicators	2024	2023	2022
Number of work-related deaths ⁽⁵⁾	0	0	0
Work-related death rate ⁽⁶⁾	0.000%	0.000%	0.000%
Work-Related Contractor Fatalities	1	/	/

Contractors

Indicators	2024	2023	2022
Number of work-related deaths for contractors ⁽⁷⁾	2	/	/
Work-related death rate for contractors ⁽⁸⁾	0.0179%	/	/
Lost-time injuries (days) for contractors	30	/	/

(5) Work-related death statistics are for the past three years for employees who died as a result of safety incidents.

(6) Work-related death rate = number of work-related deaths/total number of employees at the end of the year x 100%.

This year, the number of working days lost due to work-related injuries was 8,876 days, and lost workday rate (LWD) was 13.64%.

(7) Contractor work-related death statistics are for the year 2024 for contractor employees who died as a result of safety incidents.

(8) Work-related death rate for contractors = number of work-related deaths for contractors/total number of employees of contractors at the end of the year x 100%.



Training Indicators

Indicators ^{(9) (10)}	Data	
Percentage of employees trained by gender	Male	100.0%
	Female	99.8%
Percentage of employees trained by employee level	Percentage of senior management trained	99.0%
	Percentage of middle management trained	100.0%
Number of hours of training per capita by gender (hours)	Percentage of other employees trained	99.9%
	Male	111.1
Hours of training per person by employee level (hours)	Female	113.9
	Number of hours of training for senior management	120.0
	Number of hours of training for middle management	145.7
	Number of hours of training for other employees	111.7

(9) Percentage trained by employee category = number of employees trained in a category/total number of employees in a category x 100%.

(10) Hours of training per person by employee category = Total hours of training for a category of employees/Total number of employees in a category.



**SERVE THE SOCIETY, CREATE
VALUE AND
ENJOY “LIFE +
DELICACY” TOGETHER**

Focus on Social Care	95
Sports Charity Events	99
Food Safety Science Popularisation	101
Education on Water	102
Rural Revitalisation	103
School-Enterprise Cooperation	104





KEY PERFORMANCE INDICATORS

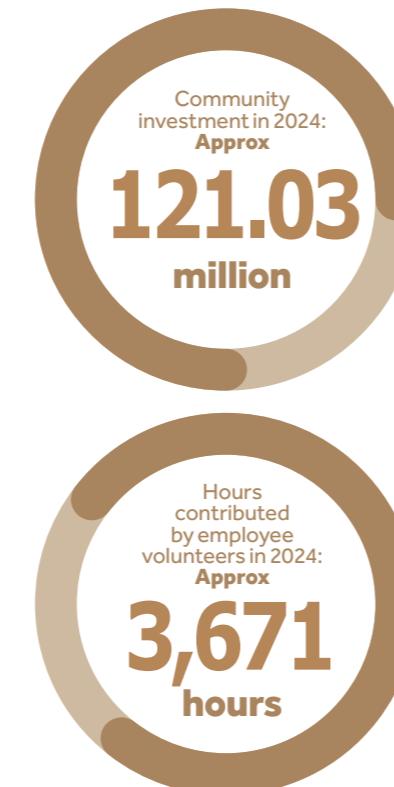
LIFE + DELICACY

Master Kong has always taken serving the community as its own responsibility, paying close attention to the needs of the community, and organically combining community investment and public welfare practices with its own business, and actively fulfilling its corporate social responsibility. In 2024, the Company participated in emergency and disaster relief and charitable donations, supported the development of sports, conducted food safety science popularisation and water education public welfare activities, assisted in rural revitalisation, deepened school-enterprise cooperation, and created sustainable value by serving the society in a tangible way, all while sharing "LIFE + DELICACY" with partners from all walks of life.



FOCUS ON SOCIAL CARE

Master Kong actively participates in social and community construction to improve people's well-being. We continue to focus on social needs and concerns and provide assistance to underprivileged areas. In 2024, Master Kong provided timely and effective assistance to disaster-stricken people in emergency relief and charitable public welfare efforts, so as to build a warmer city and a more positive society.



Emergency relief

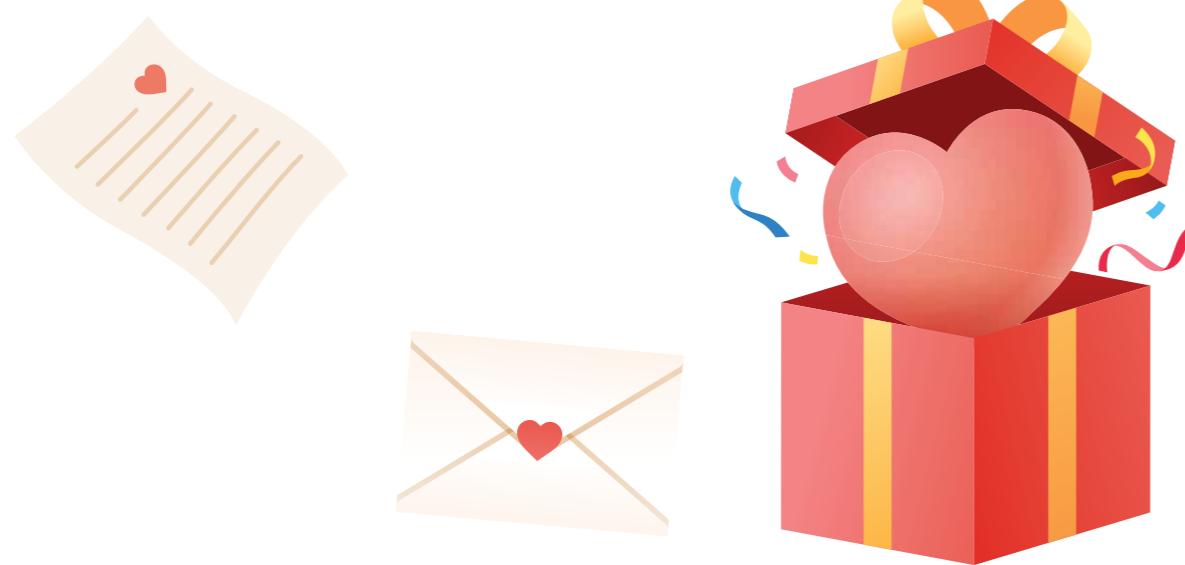
As a leading enterprise in the fast-moving consumer goods (FMCG) industry, Master Kong regards social responsibility as an important mission and vigorously promotes the spirit of "when disaster strikes, help comes from all sides". In 2024, some provinces and cities, including Hubei and Sichuan, were hit by natural disasters such as torrential rains, blizzards, floods, and typhoons. To address the dining needs of frontline rescue

personnel, government staff, and disaster-stricken residents, the Company swiftly mobilised relief supplies and dispatched its independently developed and modified self-provided "emergency rescue vehicle" with "water and electricity" to the heart of disaster-stricken areas. Overcoming the limitations of water and electricity supply, it promptly delivered emergency relief supplies, such as instant noodles and bottled water, to the front lines.

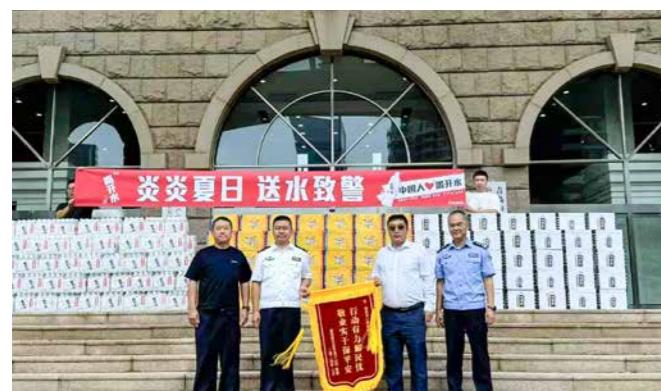


▲ Natural disaster emergency assistance

Charitable Donations



Master Kong continues to pay attention to social needs and extends care to social service groups. During the year, Master Kong actively carried out condolence activities for community workers, firefighters, sanitation workers, and traffic police, expressing gratitude for their outstanding contributions to society.



▲ "Delivering Water to Police in the Scorching Summer" Public Welfare Sponsorship Activity in Shandong Province



▲ "Summer Coolness Delivery: A Bottle of Water for You" Public Welfare Activity in Jiangsu Province



▲ Aquafina Kindness Fridge Public Welfare Activity in Yonchuan District, Chongqing

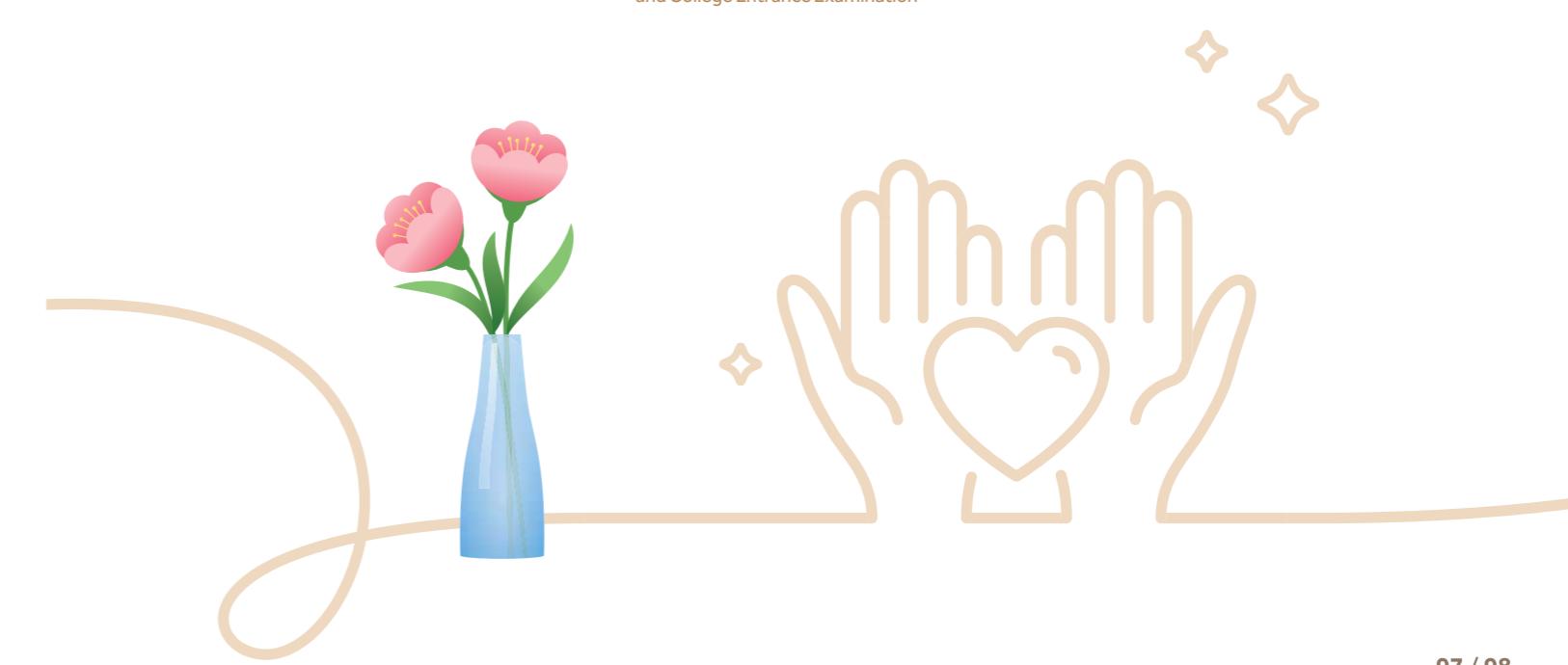


▲ Public Welfare Water Donation Activity in Tianhe District, Guangzhou City, Guangdong Province

In 2024, Master Kong Beverage Business continued to carry out public welfare promotion projects and interpreted the concept of "Let Water Raise You into the Light" in multiple dimensions through sponsorships for the high-school and college entrance examination and summer coolness delivery activities for the "vulnerable group". A total of 237 donation events were conducted, with 410,353 cases of beverages donated, benefiting more than 1.62 million people.



▲ Public Welfare Assistance Activities for the High-School and College Entrance Examination





SPORTS CHARITY EVENTS

Master Kong actively responds to the 14th Five Year Plan of Work Plan on Sports Development issued by the General Administration of Sport of China, fully supporting the construction of a "Country strong on sports" and "Healthy China", while providing logistical support for the development of national sports.

The Company has been the "Marathon Nutrition and Diet Partner" for seven consecutive years. From top-level championships to mass sport events, we always advocate the diet concepts with science and provide more than 1,000,000 runners pre-race and post-race energy supply services, including Master Kong Drink Boiled Water, Gatorade, Instant Noodles and other products, which arouses the enthusiasm of all people for running and transmits the concept of a healthy marathon. During the year, we launched a new brand idea of "More Fun with Instant Noodles", and supported marathon events in Inner Mongolia, Liaoning, Ningxia, Guizhou, Xinjiang, Hunan, Yunnan, Zhejiang and other places, which aroused the enthusiasm of all people for running and delivered a diet culture "Dynamic Balance of Food and Sport".



▲ 2024 Xinjiang Zepu Marathon



▲ 2024 Yiwu Half Marathon



▲ 2024 Dali The Running Stream Half Marathon

In 2024, Master Kong also supported public welfare cycling events, walking events, dragon boat events, taekwondo events, football events, tennis events, basketball events and others in many places. These sports activities can promote sports for all and boost the development of sports. In the future, Master Kong will continue to support the development of Chinese sports and promote the development of national sports in a healthy and orderly manner.



▲ 2024 Changsha (Autumn) Zouwa Kids Walking Competition



▲ Shantou University 2024 Orienteering Challenge



▲ 2024 Quanzhou Maritime Silk Road "Yuanchang Cup" World Dragon Boat Championships



FOOD SAFETY SCIENCE POPULARISATION

Raising public scientific literacy and popularizing food safety knowledge are effective ways to counteract food safety rumours. Over the years, Master Kong has been actively responding to the national food safety strategy, continuously exploring ways to educate the public about food safety, passing on food safety knowledge and concepts, and collaborating with upstream and downstream partners across the value chain to jointly promote social governance of food safety.

In 2024, Master Kong Beverage Business launched food safety publicity month theme campaigns nationwide, popularizing food safety knowledge among students and the general public through a variety of engaging activities, such as food safety science popularisation in schools and communities.



▲ Hefei Tingjin - Food Safety activity in Community



▲ Suzhou Tingjin - Food Safety activity in School



▲ Guangzhou Tingjin - 315 Consumer Rights Day Food Safety Public Welfare Campaign

In December 2024, Master Kong initiated the "Safety is Blessing" Campus-Enterprise Project at Minhang Hongqiao School Affiliated to East China Normal University, allowing students to take part in social practice activities at Master Kong, including food safety science popularisation, jointly promoting the development of food safety education.



▲ 2024 Hongqiao Town Campus Safety Carnival and Launch Ceremony of Master Kong's "Safety is Blessing" School-Enterprise Project

EDUCATION ON WATER

The "Education on Water" project is an industrial public welfare activity initiated by the China Beverage Industry Association and the packed water enterprises, aiming to cultivate good drinking and water-using habits among primary school students and making them be the active practitioners and disseminators of "knowing, loving and saving water". 2024 is the tenth year that Master Kong has been giving an active response to and working on "Education on Water" public welfare project. Its public welfare footprints cover more than 10 cities across China, including Beijing, Shanghai, Zhengzhou, Shenyang and Wuhan, benefiting more than 30 schools and tens of thousands of young students nationwide.

In March 2024, Master Kong held a special event for the 10th anniversary of water education at Minhang Hongqiao School Affiliated to East China Normal University with the theme of "A Decade of Commitment to Public Welfare, Sailing into a New Journey in Science Popularisation for Teenagers". The ten-year public welfare journey of Master Kong's "Education on Water" project not only demonstrates its proactive attitude in fulfilling social responsibilities as a leading enterprise in the beverage industry, but also showcases its determination and commitment to actively responding to national policies and promoting the construction of ecological civilisation.



▲ "A Decade of Commitment to Public Welfare, Sailing into a New Journey in Science Popularisation for Teenagers" Special Event for the 10th Anniversary of Water Education

In May 2024, Master Kong collaborated with the Tianjin Water Authority and other organisations to co-host a water conservation campaign under the theme "Advancing Urban Water Conservation, Building Beautiful Cities". Through initiatives such as water education classes and interactive games, we engaged with youth to promote water-saving concepts and enhance their awareness of conservation, contributing to the protection of water resources.



▲ "Advancing Urban Water Conservation, Building Beautiful Cities" Water Conservation Campaign

In September 2024, Master Kong successfully held the launching ceremony for the "First Lesson of the New Semester" of its education on water school-based courses at Shanghai Minhang Longbai Primary School. This collaboration marks the formal integration of Master Kong's education on water into the daily teaching system of the school. It will guide students to cultivate a sense of responsibility and mission to protect water resources and cherish the water environment from a young age, contributing to the construction of a water-saving society and promoting sustainable development.



▲ Master Kong's education on water school-based courses "First Lesson of School"



RURAL REVITALISATION

As a leading enterprise in the deep processing of the food industry, Master Kong practices the objective of "Sustainable Operation, Contribution to Society". It actively responds to the national call to accelerate the construction of an agricultural power and comprehensively promote rural revitalisation, giving full play to its own advantages, develops rural characteristic industries according to local conditions, fosters and develops new industries and new forms of business in rural areas, and contributes to promote rural modernisation.

Master Kong actively responded to the call of the China's No. 1 Central Document for 2024 to "strengthen the rural talent team" by implementing policies of the Rural Revitalisation Talent Support Plan and expanding its rural revitalisation plan from "industrial support" to "craftsmanship inheritance", demonstrating its industry responsibility and corporate philosophy of "Sustainable Operation, Contribution to Society". In 2024, Master Kong continued its participation in the construction of rural

revitalisation by partnering with the China Foundation for Rural Development as a partner in the "Rural Craftsman Empowerment Program". It focused on Meishan, Sichuan, which is known as the hometown of pickled vegetables in China, providing professional support for pickle-making craftsmanship. With the goals of cultivating rural craftsmen and boosting employment and income, Master Kong organised the "Craftsman Academy", built the "Inheritance Space - Cultural Exhibition Hall", and established the "Research and Learning Bases + Apprentice Cultivation". By implementing a model of "government guidance, craftsman leadership, cooperative operations, and farmer participation", Master Kong created a new collaborative development model involving "government + craftsmen + cooperatives + farmers". This initiative promoted the cultivation of skilled rural craftsmen in pickle-making, enhanced their business development capabilities, supported rural craftsmen in developing new products, building brands, and increasing employment and income, thereby empowering the development of specialty industries.



▲ Master Kong 2024 "Rural Craftsman Empowerment Program"

SCHOOL-ENTERPRISE COOPERATION

Master Kong always aims for the goals of "Healthy China, Strengthening Education", dedicated to cultivating and delivering to the industry and society a new generation of composite talents who possess specialised business capabilities, rich practical experience, and a "deep ploughing in China, facing the world" perspective. In 2024, Master Kong strengthened collaborations with over 200 universities nationwide, promoting an industry-education integration concept.

We continue to collaborate with domestic universities on research in food safety, production processes and technology, and application development, supporting the industrialisation of innovative achievements and core technologies from universities. In terms of vocational education, we promote the "Ordered Class of Master Kong" training model, exploring new ideas and methods for student cultivation and employment between schools and enterprises, thereby creating a new situation of in-depth school-enterprise cooperation in education. In terms of recruitment, Master Kong conducts a wide variety of recruitment activities, providing students with opportunities to enter the company through multiple channels, achieving a win-win situation for both talent cultivation and employment. In 2024, the Company organised a total of 4,745 school-enterprise activities nationwide, including recruitment presentations, executive lectures, and campus challenges, reaching hundreds of thousands of students.

Master Kong continues to deepen its cooperation with top universities both at home and abroad, promoting comprehensive industry-academia-research collaboration while increasing its support for education to assist in disciplinary construction and talent cultivation. In 2024, Master Kong partnered with Yuanpei College, Peking University to conduct ideological and political practice activities, expanding students' social awareness. It jointly launched the Integrated Practical Projects (IPP) with the School of

Economics and Management at Tsinghua University to co-create new business operation strategies. At the same time, Master Kong established scholarships and faculty awards at multiple universities, sponsored chair professorships, and supported research in areas such as big data in healthcare, contributing to academic advancement and the cultivation of scientific research talent with practical actions. In 2024, Master Kong donated nearly RMB 50 million to universities such as Peking University and Tsinghua University for academic research, scholarship programs, and industry-academia-research exchange initiatives.

In May 2024, Master Kong representatives participated in an exchange event between the Harvard Business School MBA field study team and the School of Economics and Management at Tsinghua University. During the roundtable dialogue, they engaged with faculty and students from both institutions, sharing business insights.



▲ Master Kong Representatives Attend Harvard-Tsinghua Exchange Program



▲ Ideological and Political Practice Activity of Yuanpei College of Peking University

In summer 2024, some students from Yuanpei College of Peking University participated in ideological and political practice activities at Master Kong. Through visits, lectures, market research, and workshops, the students not only gained an in-depth understanding of the operational mechanisms of the FMCG industry, and the appeal of the Master Kong brand, but also acquired valuable practical experience and career insights.



APPENDIX 1 SOCIAL RECOGNITION AND AWARDS IN 2024

Serial No.	Awards
1	Selected for the "Founding Member of the Steering Committee of the Collective Action on Sustainable Food Systems" of the United Nations
2	"Forbes China 2024 ESG50"
3	"2024 Forbes Best Employer of the Year in China"
4	"2024 Forbes Most Popular Employer of the Year in China"
5	Selected as "Forbes China 2024 Annual Inspiring Case Relating to ESG"
6	"2024 Forbes Best ESG Practice Employer of the Year in China"
7	"DEI Employer Award (China) 2024"
8	Selected for the 2024 Fortune China 500 List
9	"Green and Low-Carbon Partner" in the 2024 Shanghai Energy Conservation Week awarded by the Shanghai Municipal Commission of Economy and Informatisation and the Office of the Organising Committee of Shanghai Energy Conservation Week
10	"Moving Towards Greenness" awarded by the Council for the Promotion of International Trade Shanghai and Shanghai Energy Conservation Association
11	"2024 China Brand Innovation Cases" awarded by People's Daily
12	"2024 New Quality Productive Forces Development Case" by XINHUANET
13	"Leading Champion Award of ESG 50 Most to Expect List in China" awarded by Bloomberg Green
14	Listed as a "2023 China's Top Runner for Industrial Carbon Peaking"
15	"2024 China Light Industry Digital Transformation "Pacesetter" Cases - Digitalisation Empowering Green Development"
16	"Chinese Story · World Heritage" awarded by the Chinese and Foreign Brands Forum
17	Honoured as a "Typical Case of Global Brand Innovation and Development" at the 2024 World Brand Moganshan Conference
18	"Outstanding Case of 'New Benchmarks' in the Global Communication Capacity of Chinese Brands" awarded at the 2024 Global Communication Capacity of Chinese Brands

Serial No.	Awards
19	Selected for the "2024 Boao Forum for Entrepreneurs · World Brand Yearbook 2024"
20	Ranking among the top three of the "Most Chosen Brands by Consumers in China" for 12 consecutive years
21	Selected as an "Ecosystem Brand Evaluation" and an outstanding case at the 2024 Ecosystem Brand Summit, and awarded the title of "Breaker"
22	"2024 Low-Carbon Pioneer" awarded at the 3rd ESG Development Forum
23	"Zhiyuan Award - Environmentally Friendly (E) Pioneer Enterprise Award" awarded by Cailian Press
24	Master Kong Beverage Investment (China) Co., Ltd. was awarded the "China Energy Conservation Association Innovation Award - Energy Conservation and Emission Reduction Science and Technology Progress Award" (Outstanding Enterprise in Carbon Neutrality)
25	Master Kong Pepsi Beverage Business Human Capital Department won the "Best HR Program of 2024 OneFLAG Awards"
26	Master Kong (Xi'an) Beverage Co., Ltd. was awarded the "2024 Municipal Water-saving Enterprise"
27	Master Kong Leadership Empowerment Department won the "Best HR Teams of 2024 OneFLAG Awards"
28	Shenyang Pepsi-Cola Beverage Company Limited was awarded the "Top 50 Outstanding Foreign-Invested Enterprises in Shenyang"
29	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was awarded the "2024 Ram Charan Management Practice Award" for Corporate ESG by Harvard Business Review
30	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" won the "2024 Golden Flag Award - Gold Award for New Quality Productivity Communication"
31	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" won the "2024 China Green Point (CGP) Sustainable Practice Annual Case" and selected for the "CGP 2024 Sustainable Development Yearbook"
32	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" won "2024 Annual ESG Emerging Role Model in Corporate Social Responsibility"
33	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was awarded the "ROI Business Creative Marketing Silver Awards"
34	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was selected as "2024 Environmental, Social and Governance (ESG) Annual Case" by People's Daily
35	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was selected as "2024 ESG Annual Case" by XINHUANET
36	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was awarded "Southern Weekly 2024 Low-Carbon Pioneer"
37	"Master Kong's Comprehensive ESG Strategy: Leading Efforts in Sustainable Value Chain Development" was selected into the "Research Report on ESG Development of Chinese Enterprises"
38	Master Kong's carbon-neutral tea beverage "InheriTea" was designated as the official beverage of the 4th Boao Carbon Neutrality Conference
39	Master Kong's "Infinite Energy" electrolyte water was awarded "2024 Gold Award of French Design Award"
40	Master Kong's "InheriTea" original-flavour tea beverage and "Infinite Energy" electrolyte water were selected for "SO HEALTH Nutrition and Health Food Innovation Top 100 List" by the China Health Care Association
41	"Dried Noodles Collection" won the "Instant Food Innovative Product Award in the Year of 2023-2024" in China
42	The "Digital Transformation Project for Offline Training" was awarded "2023-2024 CEIBS Online Top 20 Future Leaders Development Best Practices Awards"



APPENDIX 2 | INDEX TABLE OF GRI STANDARDS

Disclosure Items		Disclosure Position	Disclosure Items		Disclosure Position
GRI 1: Foundation	Requirement 1: Apply the reporting principles	-	GRI 2: General Disclosures	Disclosure 2-14 Role of the highest governance body in sustainability reporting	ESG Governance Structure and Actions
	Requirement 2: Report the disclosures in GRI 2: General Disclosures 2021	See GRI 2		Disclosure 2-15 Conflicts of interest	-
	Requirement 3: Determine material topics	Stakeholder Communication and Key Issues Materiality Assessment		Disclosure 2-16 Communication of critical concerns	Stakeholder Communication and Key Issues Materiality Assessment
	Requirement 4: Report the disclosures in GRI 3: Material Topics 2021	See GRI 3		Disclosure 2-17 Collective knowledge of the highest governance body	-
	Requirement 5: Report disclosures from the GRI Topic Standards for each material topic	See GRI 3		Disclosure 2-18 Evaluation of the performance of the highest governance body	-
	Requirement 6: Provide reasons for omission for disclosures and requirements that the organisation cannot comply with	-		Disclosure 2-19 Remuneration policies	Create an Excellent Workplace and Share "Life + Delicacy"
	Requirement 7: Publish a GRI content index	Appendix 2: Index Table of GRI Standards		Disclosure 2-20 Process to determine remuneration	-
	Requirement 8: Provide a statement of use	Description of the Report		Disclosure 2-21 Annual total compensation ratio	-
	Requirement 9: Notify GRI	-		Disclosure 2-22 Statement on sustainable development strategy	Sustainable Development Concept
	Disclosure 2-1 Organisational details	About Master Kong		Disclosure 2-23 Policy commitments	-
GRI 2: General Disclosures	Disclosure 2-2 Entities included in the organisation's sustainability reporting	-		Disclosure 2-24 Embedding policy commitments	-
	Disclosure 2-3 Reporting period, frequency and contact point	About Master Kong		Disclosure 2-25 Processes to remediate negative impacts	Anti-corruption and Ethics Management; Customer Services
	Disclosure 2-4 Restatements of information	-		Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication and Key Issues Materiality Assessment
	Disclosure 2-5 External assurance	-		Disclosure 2-27 Compliance with laws and regulations	-
	Disclosure 2-6 Activities, value chain and other business relationships	-		Disclosure 2-28 Membership associations	-
	Disclosure 2-7 Employees	Create an Excellent Workplace and Share "Life + Delicacy"		Disclosure 2-29 Approach to stakeholder engagement	Stakeholder Communication and Key Issues Materiality Assessment
	Disclosure 2-8 Workers who are not employees	Supplier ESG Management; Sustainable Sourcing of Raw Materials		Disclosure 2-30 Collective bargaining agreements	-
	Disclosure 2-9 Governance structure and composition	About Master Kong	GRI 3: Material Topics	Disclosure 3-1 Process to determine material topics	Stakeholder Communication and Key Issues Materiality Assessment
	Disclosure 2-10 Nomination and selection of the highest governance body	-		Disclosure 3-2 List of material topics	Stakeholder Communication and Key Issues Materiality Assessment
	Disclosure 2-11 Chair of the highest governance body	About Master Kong		Disclosure 3-3 Management of material topics	Stakeholder Communication and Key Issues Materiality Assessment
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance Structure and Actions			
	Disclosure 2-13 Delegation of responsibility for managing impacts	-			



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	Responding to 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 Control and Construction; Supplier ESG Management; Anti-corruption and Ethics Management; Sustainable Sourcing of Raw Materials
	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 and Ethics Management
	Topic-specific disclosures	205-1 Operations assessed for risks related to corruption	-
		205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption and Ethics Management
		205-3 Confirmed incidents of corruption and actions taken	Anti-corruption and Ethics Management
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	-
GRI 301: Materials	GRI 103: Management approach disclosures	Management approach for materials	
	Topic-specific disclosures	301-1 Materials used by weight or volume	Environmental Key Performance Indicators
		301-2 Recycled input materials used	
		301-3 Reclaimed products and their packaging materials	

Disclosure Items		Disclosure Position	
GRI 302: Energy	GRI 103: Management approach disclosures	Management approach for energy	Energy and Water Conservation Management; Environmental Key Performance Indicators
	Topic-specific disclosures	302-1 Energy consumption within the organisation	Environmental Key Performance Indicators
		302-2 Energy consumption outside of the organisation	-
		302-3 Energy intensity	Environmental Key Performance Indicators
		302-4 Reduction of energy consumption	Energy and Water Conservation Management
GRI 303: Water and Effluents	GRI 103: Management approach disclosures	Management approach for water and effluents	Energy and Water Conservation Management
	Topic-specific disclosures	303-1 Interactions with water as a shared resource	Energy and Water Conservation Management
		303-2 Management of water discharge-related impacts	Emission and Carbon Reduction Management
		303-3 Water withdrawal	Energy and Water Conservation Management
GRI 304: Biodiversity	GRI 103: Management approach disclosures	Management approach for biodiversity	-
	Topic-specific disclosures	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
		304-2 Significant impacts of activities, products, and services on biodiversity	-
		304-3 Habitats protected or restored	-
		304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 305: Emissions	GRI 103: Management approach disclosures	Management approach for emissions	Emission and Carbon Reduction Management
	Topic-specific disclosures	305-1 Direct (Scope 1) GHG emissions	Environmental Key Performance Indicators
		305-2 Energy indirect (Scope 2) GHG emissions	Environmental Key Performance Indicators
		305-3 Other indirect (Scope 3) GHG emissions	-
		305-4 GHG emissions intensity	Environmental Key Performance Indicators
		305-5 Reduction of GHG emissions	Emission and Carbon Reduction Management; Environmental Key Performance Indicators
		305-6 Emissions of ozone-depleting substances (ODS)	-
		305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Emission and Carbon Reduction Management



Disclosure Items		Disclosure Position		Disclosure Items		Disclosure Position	
GRI 306: Waste	GRI 103: Management approach disclosures	Management approach for waste	Plastic Reduction and Packaging Management; Emission and Carbon Reduction Management	GRI 404: Training and Education	GRI 103: Management approach disclosures	Management approach for training and education	Promote Staff Growth and Development, Create a Smart Workplace
	Topic-specific disclosures	306-1 Waste generation and significant waste-related impacts	Emission and Carbon Reduction Management		Topic-specific disclosures	404-1 Average hours of training per year per employee	Promote Staff Growth and Development, Create a Smart Workplace
		306-2 Management of significant waste related impacts	Plastic Reduction and Packaging Management; Emission and Carbon Reduction Management			404-2 Programs for upgrading employee skills and transition assistance programs	Promote Staff Growth and Development, Create a Smart Workplace
		306-3 Waste generated	Environmental Key Performance Indicators			404-3 Percentage of employees receiving regular performance and career development reviews	-
		306-4 Waste diverted from disposal	Emission and Carbon Reduction Management				
		306-5 Waste directed to disposal	Emission and Carbon Reduction Management				
GRI 306: Effluents and Waste	GRI 103: Management approach disclosures	Management approach for effluents and waste	Emission and Carbon Reduction Management	GRI 405: Diversity and Equal Opportunity	GRI 103: Management approach disclosures	Management approach for diversity and equal opportunity	Deeply Develop Human Resources and Create an Excellent Workplace
	Topic-specific disclosures	306-3 Significant spills	-		Topic-specific disclosures	405-1 Diversity of governance bodies and employees	Deeply Develop Human Resources and Create an Excellent Workplace
GRI 308: Supplier Environmental Assessment	GRI 103: Management approach disclosures	Management approach for supplier environmental assessment	Supplier ESG Management			405-2 Ratio of basic salary and remuneration of women to men	-
	Topic-specific disclosures	308-1 New suppliers that were screened using environmental criteria	-		GRI 406: Non-discrimination	GRI 103: Management approach disclosures	Management approach for non-discrimination
		308-2 Negative environmental impacts in the supply chain and actions taken	-			Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken
GRI 401: Employment	GRI 103: Management approach disclosures	Management approach for employment	Deeply Develop Human Resources and Create an Excellent Workplace	GRI 407: Freedom of Association and Collective Bargaining	GRI 103: Management approach disclosures	Management approach for freedom of association and collective bargaining	Deeply Develop Human Resources and Create an Excellent Workplace
	Topic-specific disclosures	401-1 New employee hires and employee turnover	Human Key Performance Indicators		Topic-specific disclosures	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Deeply Develop Human Resources and Create an Excellent Workplace		GRI 408: Child Labour	GRI 103: Management approach disclosures	Management approach for child labour
		401-3 Parental leave	Deeply Develop Human Resources and Create an Excellent Workplace			Topic-specific disclosures	408-1 Operations and suppliers at significant risk for incidents of child labour
GRI 402: Labour/Management Relations	GRI 103: Management approach disclosures	Management approach for labour/management relations	Deeply Develop Human Resources and Create an Excellent Workplace	GRI 409: Forced or Compulsory Labour	GRI 103: Management approach disclosures	Management approach for forced or compulsory labour	Deeply Develop Human Resources and Create an Excellent Workplace
	Topic-specific disclosures	402-1 Minimum notice periods regarding operational changes	-		Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	
GRI 403: Occupational Health and Safety	GRI 103: Management approach disclosures	Management approach for occupational health and safety	Safeguard Employee Health and Safety to Create a Secured Workplace	GRI 410: Security Practices	GRI 103: Management approach disclosures	Management approach for security practices	-
	Topic-specific disclosures	403-1 Occupational health and safety management system	Safeguard Employee Health and Safety to Create a Secured Workplace		Topic-specific disclosures	410-1 Security personnel trained in human rights policies or procedures	
		403-2 Hazard identification, risk assessment, and incident investigation	Safeguard Employee Health and Safety to Create a Secured Workplace	GRI 411: Rights of Indigenous Peoples	GRI 103: Management approach disclosures	Management approach for rights of indigenous peoples	-
		403-3 Occupational health services	-		Topic-specific disclosures	411-1 Incidents of violations involving rights of indigenous peoples	
		403-4 Worker participation, consultation, and communication on occupational health and safety	Safeguard Employee Health and Safety to Create a Secured Workplace				



Disclosure Items		Disclosure Position	
GRI 413: Local Communities	GRI 103: Management approach disclosures	Management approach for local communities	Serve the Society, Create Value and Enjoy "Life + Delicacy" Together
	Topic-specific disclosures	413-1 Operations with local community engagement, impact assessments, and development programs	Rural Revitalisation
GRI 414: Supplier Social Assessment	Topic-specific disclosures	413-2 Operations with significant actual and potential negative impacts on local communities	-
	GRI 103: Management approach disclosures	Management approach for supplier social assessment	Food Safety Control and Construction; Supplier ESG Management; Anti-corruption and Ethics Management
GRI 415: Public Policy	Topic-specific disclosures	414-1 New suppliers that were screened using social criteria	-
	Topic-specific disclosures	414-2 Negative social impacts in the supply chain and actions taken	-
GRI 416: Customer Health and Safety	GRI 103: Management approach disclosures	Management approach for public policy	-
	Topic-specific disclosures	415-1 Political contributions	-
GRI 417: Marketing and Labeling	GRI 103: Management approach disclosures	Management approach for customer health and safety	From Peace of Mind to Nutrition and Health, Enjoy "Life + Delicacy"
	Topic-specific disclosures	416-1 Assessment of the health and safety impacts of product and service categories	From Peace of Mind to Nutrition and Health, Enjoy "Life + Delicacy"
GRI 418: Customer Privacy	Topic-specific disclosures	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
	GRI 103: Management approach disclosures	Management approach for marketing and labelling	Responsible Marketing
	Topic-specific disclosures	417-1 Requirements for product and service information and labelling	Responsible Marketing
	Topic-specific disclosures	417-2 Incidents of non-compliance concerning product and service information and labelling	-
	Topic-specific disclosures	417-3 Incidents of non-compliance concerning marketing communications	-
	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	-

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	Create an Excellent Workplace and Share "Life + Delicacy"
	Principle 2	make sure that they are not complicit in human rights abuses.	Create an Excellent Workplace and Share "Life + Delicacy"
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Create an Excellent Workplace and Share "Life + Delicacy"
	Principle 4	the elimination of all forms of forced and compulsory labour;	Create an Excellent Workplace and Share "Life + Delicacy"
Environment	Principle 5	the effective abolition of child labour; and	Create an Excellent Workplace and Share "Life + Delicacy"
	Principle 6	the elimination of discrimination in respect of employment and occupation.	Create an Excellent Workplace and Share "Life + Delicacy"
Anti-Corruption	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Enhancing the Sustainable Development Process and Enjoying "Life + Delicacy" Green and Healthy Guardianship For Sustainability, a Clean Way to Enjoy "Life + Delicacy"
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	Enhancing the Sustainable Development Process and Enjoying "Life + Delicacy" Green and Healthy Guardianship For Sustainability, a Clean Way to Enjoy "Life + Delicacy"
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Enhancing the Sustainable Development Process and Enjoying "Life + Delicacy" Green and Healthy Guardianship For Sustainability, a Clean Way to Enjoy "Life + Delicacy"
	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption and Ethics Management



APPENDIX 4 | INDEX TABLE OF ISO 26000: GUIDANCE ON SOCIAL RESPONSIBILITY (2010)

Core Subjects and Issues		Disclosure Position
Core subject: Organisational governance		Corporate Governance
Core subject: Human rights	Issue 1: Due diligence	-
	Issue 2: Human rights risk situations	-
	Issue 3: Avoidance of complicity	Anti-Corruption and Ethics Management
	Issue 4: Resolving grievances	Anti-Corruption and Ethics Management; Customer Services
	Issue 5: Discrimination and vulnerable groups	Deeply Develop Human Resources and Create an Excellent Workplace
	Issue 6: Civil and political rights	Deeply Develop Human Resources and Create an Excellent Workplace
	Issue 7: Economic, social and cultural rights	Deeply Develop Human Resources and Create an Excellent Workplace
	Issue 8: Fundamental principles and rights at work	Deeply Develop Human Resources and Create an Excellent Workplace
Core subject: Labour practices	Issue 1: Employment and employment relationships	Deeply Develop Human Resources and Create an Excellent Workplace
	Issue 2: Conditions of work and social protection	Deeply Develop Human Resources and Create an Excellent Workplace; Safeguard Employee Health and Safety to Create a Secured Workplace
	Issue 3: Social dialogue	Deeply Develop Human Resources and Create an Excellent Workplace; Stakeholder Communication and Key Issues Materiality Assessment
	Issue 4: Health and safety at work	Safeguard Employee Health and Safety to Create a Secured Workplace
	Issue 5: Human development and training in the workplace	Promote Staff Growth and Development, Create a Smart Workplace
Core subject: The environment	Issue 1: Prevention of pollution	Emission and Carbon Reduction Management
	Issue 2: Sustainable resource use	Energy and Water Conservation Management
	Issue 3: Climate change mitigation and adaptation	Responding to Climate Change
	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	Sustainable Sourcing of Raw Materials

Core Subjects and Issues	Disclosure Position
Core subject: Fair operating practices	Issue 1: Anti-corruption
	Issue 2: Responsible political involvement
	Issue 3: Fair competition
	Issue 4: Promoting social responsibility in the value chain
	Issue 5: Respect for property rights
Core subject: Consumer issues	Issue 1: Fair marketing, factual and unbiased information and fair contractual practices
	Issue 2: Protecting consumers' health and safety
	Issue 3: Sustainable consumption
	Issue 4: Consumer service, support, and complaint and dispute resolution
	Issue 5: Consumer data protection and privacy
	Issue 6: Access to essential services
	Issue 7: Education and awareness



	Core Subjects and Issues	Disclosure Position
Core subject: Community involvement and development	Issue 1: Community involvement	Stakeholder Communication and Key Issues Materiality Assessment; Serve the Society, Create Value and Enjoy "Life + Delicacy"
	Issue 2: Education and culture	Food Safety Control and Construction; Food Safety Science Popularisation; Spread Health Concept; Education on Water; School-Enterprise Cooperation
	Issue 3: Employment creation and skills development	Focus on Social Care; School-Enterprise Cooperation; Supplier ESG Management
	Issue 4: Technology development and access	Supplier ESG Management; Health and Nutrition Product Development and Expansion
	Issue 5: Wealth and income creation	Focus on Social Care
	Issue 6: Health	Food Safety Science Popularisation; Sports Charity Events; Safeguard Employee Health and Safety to Create a Secured Workplace
	Issue 7: Social investment	Sustainable Development Concept; Serve the Society, Create Value and Enjoy "Life + Delicacy"