TSINGTAO
青島啤酒

2023

Environmental, Social and Governance Report

Tsingtao Brewery Co., Ltd.



About This Report

Reporting Scope

This is the sixteenth annual report on sustainable development of Tsingtao Brewery Co., Ltd. ("Tsingtao Brewery"), covering the period from January 1, 2023 to December 31, 2023, gathering data and information on the sustainable development practices of Tsingtao Brewery's 57 wholly-owned and controlled brewery enterprises, and 2 associated and joint venture brewery enterprises in China. Based on the continuity and comparability of the Report, some data and information are not limited to 2023.

Content Selection

In the process of selecting the contents of the Report, Tsingtao Brewery followed the principles of importance, quantification, consistency, balance, accuracy, effectiveness and comparability, and presented the Report from the aspects of environment, society and corporate governance. The focus was on the sustainable development responsibility of Tsingtao Brewery in terms of products, environment, employees, communities and business partners.

Principles of Preparation

This Report has been prepared in accordance with the requirements of No. 1 Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange—Standardized Operation, Appendix C2 Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of the Hong Kong Exchanges and Clearing Limited, and with reference to relevant requirements such as the GRI Standards and the Reference Indicator System for ESG Special Reports of Central Enterprise Controlled Listed Companies issued by the State-owned Assets Supervision and Administration Commission of the State Council.

Appellation

Tsingtao Brewery Co., Ltd. is referred to as "Tsingtao Brewery" or "the Company" or "We" in the report, and the copyright of this Report is owned by Tsingtao Brewery Co., Ltd.

Publishing Method

The Report is published online and in print. The online version is available on the Company's website (URL:www.tsingtao.com. cn).



Contents

A Speech from the Chairman 02
A Speech from the President 03
Sustainable Development Indicators 04
About Us 06
Compliance and Sound Operation 08
Environmental, Social and Governance Management 09

Focusing on Brewing Good Beer for 120 Years 01

Food Safety and Quality Control 14
Whole Process Management 16
Creating Happiness in Life 20

For a Better World 02

Climate Action 29
Sustainable Water Use 40
Packaging and Waste 44
High-end, Intelligent and Green Development 48

Giving the Stage to the Endeavors and Applauding the Achievers 03

Occupational Health and Work Safety 54
Protection of Rights and Interests 56
Employee Growth 60
Employee Care 64

Creating Social Value Together 04

Our Value Chain 68
Care for the Community 72

(Selected) Honors of Tsingtao Brewery 2023 77
Third-party Evaluation 78
Index of ESG Indicators 79
Your Feedback 82



A Speech from the Chairman

Focus on Innovation and Highlight Quality

The year 2023 marked the 120th anniversary of Tsingtao Brewery. Throughout its long and turbulent development history, Tsingtao Brewery has been "focusing on brewing good beer". Such good beer contains Tsingtao Brewery's dedication to brewing good beer, its mission to create happiness for consumers, its unlimited reverence for the natural environment, its solemn commitment to rewarding investors with its performance, its win-win situation and common prosperity with its partners in the value chain, as well as its unlimited gratitude for the care of the community...This is the strength that has inspired Tsingtao Brewery to march forward in the past 120 years. In the future, it will remain the core of Tsingtao Brewery's high-quality sustainable development

Quality Improvement with Innovation

The new quality productivity represents the direction of higher quality, higher efficiency and more sustainable development. The development of new quality productivity is not to neglect or abandon traditional industries, but to realize transformation and upgrading by replacing old drivers with new ones on the basis of traditional industries. As a century-old traditional manufacturing enterprise, Tsingtao Brewery has found the answer to the question of "Integrity and Innovation"—a way out of the cycle of development by building the business with perseverance and building the brand with quality. Based on the corporate mission of "creating happiness for life", Tsingtao Brewery adheres to the high-quality development strategy, and accelerates the construction of a world-class enterprise as a climber seeking innovation and practicality. We will also build an overall and systematic innovation engine led by scientific and technological innovation, cultivate and expand new consumption, cultivate new consumption growth points such as domestic brands with Chinese design elements, open up new market space with new products and new scenarios, and expand the track for the upgrading of traditional industries. By integrating social responsibility into enterprise development strategy, continuously improving the ability and level of enterprise operation efficiency and sustainable development, Tsingtao Brewery has repeatedly reached a record high in business performance.

Quality Improvement with Intelligence

To cultivate new quality productivity, we must further promote the development of intelligent manufacturing and digital innovation, and promote digital technology to empower traditional industries. Tsingtao Brewery has been improving its quality with intelligence, accelerating intelligent manufacturing, digital management, agile customer service and ecological industrial synergy, and continuously enhancing its value creation capability. For instance, driven by user demand, the world's first industrial Internet "lighthouse factory" in the beer and beverage industry has shifted from large-scale production to personalized customization; the co-construction and sharing value of the marketing digital platform has become more prominent, and digital connection with more than one million sales points has been realized, which has effectively driven the digital transformation of small and medium-sized enterprises. We will continuously advance the digital transformation capacity enhancement project, focusing on digital integration of innovative practices, cultivating digital talents, comprehensively enhancing digital management capabilities, and promoting quality change, efficiency change and power change.

Quality Improvement with Responsibility

New quality productivity is green productivity in itself. Tsingtao Brewery empowers green transformation through innovation, and accelerates the innovation of green technology and the promotion and application of advanced green technology. The Company further actively explores new models and new paths for the green development and circular development of traditional manufacturing enterprises and the sustainable development of the whole value chain, and explores and provides "Tsingtao Brewery Plan" to build an efficient ecological green industrial cluster. Tsingtao Brewery has been selected as the 2023 Leader of China Industrial Carbon Peaking, and the only case of Business Climate Action Cases at the United Nations Climate Change Conference 2023.

We have taken concrete actions to fulfill our social responsibilities, supporting the construction of public welfare projects regarding rural revitalization, ecological protection in the Yellow River basin, disaster relief, poverty alleviation, and educational assistance in Shigatse of Tibet, Anshun of Guizhou Province, Longnan of Gansu Province, Heze and Pingdu of Shandong Province. Together with the China Green Foundation, we have implemented the Yellow River ecological protection afforestation project named "Tsingtao Brewery Yellow River Greening", contributing to the ecological protection and high-quality development of the Yellow River basin.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China. It's a key year for realizing the goals and tasks of the "14th Five-Year Plan", and the opening year of Tsingtao Brewery's strategy of "Setting Sail again After One Hundred and Twenty Years". In keeping with the times, we will speed up the development of new quality productivity, continue to give play to the main role of enterprise innovation, focus on optimizing supply and industrial upgrading, promote high-end, intelligent and green transformation of the enterprise. We will also accelerate high-quality development, strive to achieve win-win economic, social and environmental benefits, and work together for a better, greener and more harmonious tomorrow, and scale new heights!



Chairman Huang Kexing

Tsingtao Brewery Co., Ltd.



A Speech from the President

Innovation Strengthens the Drivers for Sustainable Development

Over the past 120 years, Tsingtao Brewery's corporate culture of inheritance and innovation has guided its business practices for more than a century, and served as the cornerstone of its sustainable development. In 2023, Tsingtao Brewery, guided by its core value of "Integrity and Innovation, Faithfulness and Prosperity", had its direction and momentum. The management team aims at high-quality development by adhering to the industry, advocating practical work, focusing on actual performance, and continuing to lead the transformation and upgrading of the whole chain of traditional industries with the all-round innovation of the enterprise, so as to inject new power for the sustainable development of the enterprise.

Technology Empowering for Innovation

Development of new quality productivity can promote the upgrading and transformation of traditional industries and boost high-quality development. Tsingtao Brewery focuses on the systematic and overall innovation led by scientific and technological innovation to cultivate new quality productivity, starts the construction of Tsingtao Brewery Innovation Research Institute, comprehensively improves the level of innovation management, and makes innovation the first driving force for corporate development. The implementation of the charm quality improvement project makes the basic quality more solid, the characteristic quality more prominent, the Charm-perceived quality more deeply rooted in the people's mind, laying a solid foundation of the century-old quality. Efforts have been made to promote key core technology research, develop new and quality products, and continuously optimize the product structure with 9 series of products. Winning awards at the international arena and making its appearance in the international summits, Tsingtao Brewery has continuously enhanced its product reputation and brand image. In 2023, corporate performance grew steadily, with key operating indicators reaching new record highs, and operating performance scaling new heights on the basis of the record highs over the past five years. Greater shareable value was created for consumers, employees, investors, value chain partners, and the social community by means of sustainable development.

Digital Reality Fusion for Intelligence

The new quality productivity opens up a new track of development, enhances the new momentum of development, and shapes a new advantage in development. We have taken "digital reality fusion" as a key to effectively promote high-end, intelligent and green transformation and enhance the competitiveness of the industrial system. A number of key investment projects with strong traction and long-term benefits, such as Tsingtao Brewery's Millions of Liters of Craft Beer Production Base and the expansion of 250,000T High-end Malt Raw Materials Base in Tsingtao Brewery Smart Industrial Park have been rolled out; the "Lighting Lighthouse Project" has been Implemented to continuously build new smart factories in Qingdao, Weifang, Zibo, Linyi and other places to promote the improvement of traditional industries with intelligence. The digital transformation of the supply chain has been accelerated, and the "Mazhilian" Project of one bottle, one code covers all products, effectively building a bridge of direct communication with consumers. The Qingyingxiao digital platform has been built, introducing the innovative instant distribution business model, distributing fresh fine original beer and crystal pure beer products across the country. We have also further promoted the integration of modern service industry and advanced manufacturing industry, introduced new fashion forms of consumption such as the "TSINGTAO1903 Bar" that spread throughout the country, constantly expanded new growth space, and boosted the sustainable development of the Company.

A Low-Carbon and Green Future

New quality productivity is characterized by high technology, high efficiency and high quality, and green empowerment is an important part of it. Focusing on the Double Carbon goal, Tsingtao Brewery has strengthened innovation drive, adopted advanced intelligent, green and low-carbon technologies, and incorporated "green" development into the whole chain. Through green research and development, green procurement, green production and green logistics, Tsingtao Brewery has promoted the comprehensive green transformation of the Company and value chain, and accelerated the formation of an industrial structure with high scientific and technological content, low resource consumption, and less environmental pollution. The Company has realized the optimization and upgrading of the industrial chain in respect of clean production process, recycling of resources, low-carbon energy consumption, green product supply, and medium-high-end industrial structure; 20 factories have been selected as National Green Factory by the Ministry of Industry and Information Technology, ranking first in the industry. These efforts have effectively driven the upstream and downstream players to jointly promote carbon reduction, pollution reduction, green expansion and growth, and accelerate the construction of a full-chain green manufacturing system.

Standing on the new starting point of the 120th anniversary of Tsingtao Brewery, we are aware that Tsingtao Brewery sticking to integrity and innovation pursues "everlasting prosperity". We value immediate gains, and more importantly, long-term development. In 2024, Tsingtao Brewery will continue to adhere to innovation-driven and high-quality development, focus on the transformation and upgrading of traditional industries, accelerate the formation of new quality productivity, and enhance new growth momentum. We will also press ahead to create more high-quality development results, bring more multidimensional value experience to consumers, and realize sustainable contributions to social value.



President Jiang Zongxiang

Tsingtao Brewery Co., Ltd.

Sustainable Development Indicators

Economic Responsibility

The Company has always valued returns to investors, and has cumulatively distributed cash dividends over the past 27 years (from listing in 1993 to 2022)

up to RMB **12.848** billion

Sales volume in 2023

8.007 million kiloliters

Operation revenue in 2023

RMB **33.937** billion

Net profit attributable to shareholders of parent company in 2023

RMB **4.268** billion

Earnings per share in 2023

RMB **3.139**

Value of social contribution per share in 2023

RMB **11.447**

Environmental Responsibility

National Green Factory

New National Green Factories in 2023

6

Cumulative Number of National Green Factories

20

Number of National Green Factories in the Beer Industry

Ranking First

Renewable electricity

Number of factories using renewable electricity in 2023

50

Ratio of electricity use from renewable sources in 2023

72.4%

Number of factories using 100% renewable electricity in 2023

31

Greenhouse gas emissions

Decrease of greenhouse gas emission intensity (Scope 1 +2) in 2023 from 2022

35.7%

Decrease of greenhouse gas emission intensity (Scope 1 +2 + 3) in 2023 from 2022

5.1%

Decrease of water consumption per unit product of beer production in 2023 from 2022

8%

Decrease of comprehensive energy consumption per unit product of beer productionc in 2023 from 2022

6.44%

Social Responsibility

Donations and public welfare investments in 2023

RMB **5.12** million

Investments in consolidating poverty alleviation achievements and rural revitalization in 2023

RMB **689,000**

Cumulative donations to the cause of the physically challenged

RMB **2.36** million

Honored with **"Weichen Public Welfare Partner Unit"** by Qingdao Red Cross Weichen Foundation in 2023

Tsingtao Brewery Scholarship

Cumulative number of students helped

1,968

Cumulative amount of donations

RMB **5.9** million

Employee Care Foundation

Donations by the Employee Care Foundation in 2023

RMB **580,500**

Number of employees suffering from major diseases supported in 2023

17

Expenditure for support to employees suffering from major diseases in 2023

RMB **651,000**

Employee Training

Employee training coverage rate in 2023

100%

Employee training per capita in 2023

51.1 class hours

Digital Courses

Person-times completing digital courses in 2023

91,657 person-times

Person-times completing digital courses in 2023

98,422 class hours

About Us

Company Profile

Tsingtao Brewery, founded in 1903, is a long-established beer manufacturer in China. Listed in both Shanghai and Hong Kong in 1993, it was the first Chinese mainland enterprise listed in Hong Kong. Tsingtao Brewery has 57 wholly-owned and controlled brewery enterprises, and 2 associated and joint venture brewery enterprises in China. It has established a global marketing network, and its products are exported to 120 countries. It is one of the most famous Chinese brands in the international market, and the brand value reached RMB 240.689 billion in 2023, ranking among the world's top 500 brands.

In 2021, the Party Committee of Tsingtao Brewery was awarded the honorary title of National Advanced Grassroots Party Organization on the 100th anniversary of the founding of the Chinese Communist Party. The m anagement model of "Charm-perceived Quality Based on Digital End-to-End Decoding" created by the Company was Nominated for the 4th China Quality Award and won the First Prize of the National Enterprise Management Modernization Innovation Achievement. Tsingtao Brewery was honored as the world's first "Lighthouse Factory" of industrial Internet in the beer and beverage industry. Relying on the only State Key Laboratory of Beer Bio-fermentation Engineering in the brewing industry, Tsingtao Brewery has won the Second Prize of the only three National Science and Technology Progress Awards in the beer industry, Advanced Collective of Scientific and Technological Innovation in the Light Industry in the 13th Five-Year Plan Period, and the National Technological Innovation Demonstration Enterprise in 2021. The products have been repeatedly honored with the European Beer Star Award and the Gold Medal of the World Beer Championships. In 2022, the Company was rated a Model Enterprise of Corporate Governance for State-owned Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council and included as an excellent case into the Blue Book of Social Responsibility of State-owned Enterprises (2022). The Company has been listed as one of the Most Admired Chinese Companies for 16 times, and honored as Respected Chinese Enterprise for 18 times.

With the vision of "growing into a globally influential and world-class enterprise", Tsingtao Brewery sticks to integrity and innovation, faithfulness and prosperity, progress with determination, and pursuit of excellence, creating a new future of high-quality development for this 120-year-old brand.

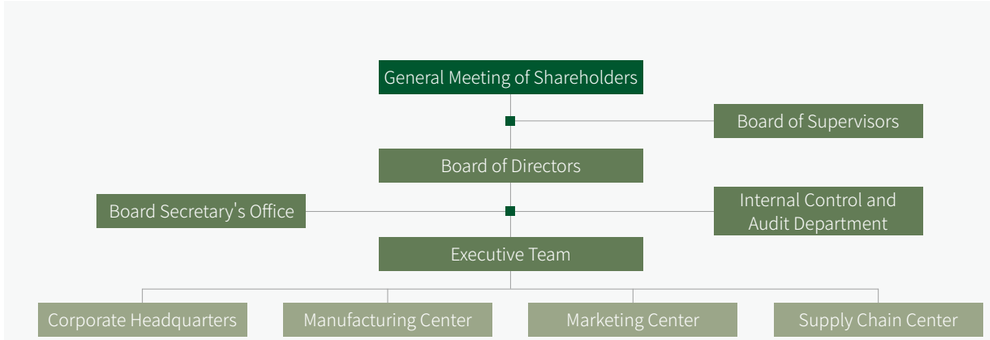
Corporate Governance

Since its listing, the Company has been actively exploring and implementing a corporate governance structure that is in line with international standards, committed to the standardized operation of the governance structure and the timely and accurate disclosure of information on its operating conditions and significant matters. As of December 31, 2023, the 10th Board of Directors of Tsingtao Brewery Co., Ltd. had been composed of a total of 9 directors, including 4 executive directors and 5 independent directors (including 1 female director); The 10th Board of Supervisors had consisted of 5 supervisors, including 2 external supervisors and 3 employee supervisors. The Company is one of the first listed companies in China to establish a structure of Board of Directors and Board of Supervisors composed of a majority of external directors and external supervisors. The current independent directors of the Company come from different professional backgrounds and have extensive professional experience in law, finance and accounting, as well as financial investment and marketing.

In January 2024, the Articles of Association and the Rules of Procedure of the Three Committees of the Company were comprehensively revised in accordance with the latest securities regulations and listing rules. In accordance with the new regulations on independent directors and the revisions of the Articles of Association, the Independent Director System of Tsingtao Brewery Co. Ltd., the Working Rules of the Audit and Internal Control Committee of the Board of Directors of Tsingtao Brewery Co., Ltd., the Working Rules of the Nomination and Remuneration Committee of the Board of Directors of Tsingtao Brewery Co., Ltd. and the Working Rules of the Strategy and Investment Committee of the Board of Directors of Tsingtao Brewery Co., Ltd. were also revised to further clarify the main responsibilities of the specialized committees of the Board of Directors.

The Company attaches great importance to and actively plans and promotes investor relations management, and in the context of dual listing at home and abroad, the Company has steadily and solidly facilitated communication between domestic and overseas investors by combining international practices and regulatory requirements for dual-listing. The Company has constructed and maintained a smooth channel of communication between the management and the majority of shareholders and potential investors at home and abroad, and has established and consolidated its image in the capital market as a trustworthy, open and transparent company.

In 2023, the Company continued to hold earnings presentations, and the key executives participated in the Company's major investor communication events to communicate with investors and digitally enhance investor relations management. Meanwhile, we continue to strengthen our communication with domestic and foreign investors through daily conference calls and actively participate in the collective activities of investor education and protection for listed companies under the jurisdiction.





Board of Directors



Board of Supervisors

Honors in the Capital Markets

In 2023, the Company received a number of awards for its excellence in governance practices, information disclosure and investor relations management:

- Rated "A" in the evaluation of information disclosure work of the Shanghai Stock Exchange for the Year 2022-2023; awarded the rating of "A" Grade in information disclosure evaluation of the Shanghai Stock Exchange for 10 consecutive years;
- Included as 2023 Best Practice Case in Corporate Governance by the China Association for Public Companies;
- Awarded 2023 Excellent Practice Case of Best Practice Activities of Board of Directors of Listed Companies by the China Association for Public Companies, and Best Practice Case of Board of Directors of Listed Companies by the China Association for Public Companies for three consecutive years;
- Awarded 2022 Best Practice Case of Annual Performance Presentation of Listed Companies by the China Association for Public Companies;
- Honored with the Green and Low-carbon Outstanding Contribution Award of China's Listed Companies and the Top 100 Value Listed Companies on the Main Board at the 17th Value Appraisal of China's Listed Companies held by Securities Times;
- Honored with the A-share Best Practice Award (Governance) and Hong Kong Stock Best Practice Award (Governance) at the 2022 WindESG Best Practice Listed Companies.

……

Compliance and Sound Operation

Risk Control and Management

A sound risk prevention and control system is the basic guarantee for the long-term stable operation of the enterprise. Tsingtao Brewery has put in place a compliance risk identification and early warning mechanism to comprehensively and systematically sort out compliance risks in its operation and management activities, systematically analyze the possibility of occurrence, degree of influence and potential consequences of the risks, and issue timely early warnings for risks that are typical, common and likely to result in more serious consequences.

The Company integrates risk management into its core management and business, and has established a "three-in-one" risk management system, i.e., "a unified risk management culture and language, a unified risk management system and process, and a unified risk management team", to promote the continuous improvement of its risk management level at all levels.

Thus far, the Company has issued the Risk Management System and the Risk Assessment Management Process. The Risk Management System stipulates the risk categorization, risk level, scope of risk management, risk review, approval and reporting of the Company. The Risk Assessment Management Process defines the process of risk assessment, including risk identification, risk analysis, risk evaluation and risk response.

Business Ethics and Compliance

The Company strictly implements the *Constitution of the People's Republic of China, the Implementation Regulations of the Supervision Law of the People's Republic of China and the Criminal Law of the People's Republic of China*, strictly observes business ethics, attaches great importance to compliance management, strictly abides by *the Anti-Money Laundering Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Law of the People's Republic of China against Unfair Competition* and other relevant laws and regulations, and improves the responsibility system of clean government work, realizes the joint implementation of anti-corruption and business work, and ensures the integrity and efficiency of its operations.

In 2023, the Company further upgraded its compliance management system by issuing the Compliance Manual of Tsingtao Brewery Co., Ltd. (Trial Implementation). As the foundation and basis for other compliance systems, the Manual provides principled compliance guidelines and specific compliance requirements centering on "Company and employees", "corporate governance and operation", "Company and society", and "reporting and accountability". It is aimed to convey and implement the value concept of integrity and compliance, and help the Company carry out various operation and management activities according to law.

The Company educates employees to uphold integrity, honesty and self-discipline, abide by laws, and correctly perform their duties; the management system has been constantly improved to regulate employee behaviors, and control compliance risks; by carrying out supervision and inspection, compliance review, special audit, responsibility investigation and other work, we prevent and resolve compliance risks and ensure the compliance operation of the Company. The Company has set up a platform for reporting violations, accepting reports of violations (including violators and violation events) or potential violations, so as to guarantee that employees have the right and means to report violations. During the year, there were no cases of non-compliance with the law arising from the significant impacts of bribery, extortion, fraud and money-laundering.

Intellectual Property Protection

Tsingtao Brewery abides by the *Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, Copyright Law of the People's Republic of China* and other laws and regulations related to intellectual property rights, and has formulated internal systems such as the Intellectual Property Rights Management System. These efforts are to regulate the rights to intellectual property rights such as trademarks, patents, and copyrights and the maintenance and use of these rights, and to prevent infringement upon the intellectual property rights of others, so as to provide protection for the high-quality and innovative development of the Company.

Environmental, Social and Governance Management

ESG Statement of the Board of Directors

Tsingtao Brewery highly recognizes the importance of Environmental, Social and Governance (ESG) to the Company's long-term and sound operation. In accordance with the requirements of the *Code on Corporate Governance for Listed Companies of the China Securities Regulatory Commission, the Code on Corporate Governance and the Guidelines on Environmental, Social and Governance Reporting of the Stock Exchange of Hong Kong Limited, the Company and its Board of Directors have established* a three-level ESG governance structure at the decision-level, supervisory level and executive level with clear powers, hierarchical management and well-defined responsibilities. The supervision and participation of the Board of Directors in the Company's ESG affairs have been continuously strengthened; we have actively integrated ESG into the Company's development strategy, major decisions and production and operation, and established an effective ESG management and governance mechanism.

At the decision-making level: The Board of Directors has established a Strategy and Investment Committee to review the Company's environmental, social and corporate governance policies and strategies to ensure compliance with laws, regulations and standards; assess and identify environmental, social and governance related risks and opportunities; review the Company's environmental, social and corporate governance and internal control systems and put forward recommendations to the Board of Directors on their appropriateness and effectiveness; review and supervise the objectives and implementation of the Company's environmental, social and corporate governance related work, and evaluate the performance of the work; review the Company's external environmental, social and governance reports; guide the development of the Company's environmental, social and corporate governance management vision, goals and strategies.

At the supervision level: Tsingtao Brewery has set up a leading group for environmental, social and corporate governance to formulate the overall plan, system, policy, strategy and objectives of ESG management, studied specific work according to the overall ESG strategy and direction, and identified ESG risks and conducted internal and external significance assessments; the Company has formulated ESG work plan and set work objectives, coordinated and guided ESG related functional departments in setting key performance indicators and continuously optimizing them; we have also identified sources of ESG-related data and developed management policies for future collection of such data; we have further coordinated and instructed the relevant ESG functional departments to jointly promote the effective implementation of the work, prepared the ESG report and completed other related work.

At the execution level: Tsingtao Brewery ESG Work Leading Group has set up three specialized working groups covering the environment, society and corporate governance of various departments and units, responsible for the Company's overall environmental, social and corporate governance goals and key performance indicators; initiatives have been identified and work conducted based on objectives and key performance indicators for continuous optimization; regular review and feedback on related work have been conducted and given; information related to the external environment, society and corporate governance has been collected and organized, and suggestions for the actual work provided.

Stakeholder Communication

We insist on building an effective communication mechanism, establishing close contact with stakeholders, conducting more active and extensive exchanges and communications with stakeholders through face-to-face meetings, field surveys, information release platforms, official website, official microblog account, WeChat account, service hotlines, new media platforms, e-mails, teleconferences and other diversified forms. We also actively collect issues of concern to stakeholders and incorporate them into the Company's decision-making process. Through regular communication, we can effectively convey the Company's high-quality development achievements and strategic plans to our stakeholders, and at the same time understand their expectations and feedback on Tsingtao Brewery's sustainable development, so as to enhance the Company's ability of sustainable development and contribute to our high-quality development.

Stakeholders	Content of Concern	Method of Communication and Response
Consumers	Safe, healthy and high quality products Diversified product choices High-quality and complete customer services	Responsible marketing communication Meet the diversified needs of consumers Provide an immersive experience Service hotline and multi-channel communication
Environment	Reducing pollution Addressing climate change Green and low-carbon development Developing the circular economy	Disclosure of information Developing the green industry chain Promoting carbon neutrality Implementing eco-friendly projects Public welfare and environmental protection promotion
Shareholders	Sound and compliance operation Preservation and appreciation of assets value Achieving reasonable and sustainable returns Timely disclosure of information on material matters Innovation for sustainable development	Sustainable economic growth Sound operation General or special meetings of shareholders Roadshow communication events Timely release of enterprise annual reports and announcement information
Employees	Safe and healthy workplace Comprehensive wage and benefit coverage Career development platform	Employee health and safety management Provide a reasonable compensation and benefit system Employee training and promotion Conducting employee exchange
Business partners	Upholding business ethics, honesty and integrity Promoting the sound development of the industry chain Mutual benefit and a win-win situation, common growth	Implementing responsible purchasing policy, strict management and audit Supporting common growth of industry chain partners Adopting vendor meetings, dealer meetings, Golden Eagle meetings, and communication meetings, and visits to strengthen information exchange and sharing
Communities and NGOs	Public welfare and charitable activities Contributing to community development and progress Enhancing media communication	Exchanges Social media Field visits Charity, rural revitalization, Beer Festival, etc. Disclosure of information on the Company's website and related platforms
Government	Leading industry development Compliance operation Tax payment according to law Contributing to local economic development Employment settlement	Regulatory assessment Specialized meetings Thematic reports Disclosure of information

Analysis of Material Issues

Tsingtao Brewery has established a regular and multi-channel communication mechanism to actively respond to the concerns of stakeholders. The Company takes into full consideration the nature of its business, its operating conditions and the characteristics of industry development, responds to stakeholder inquiries in a timely manner through diversified communication channels. The Company also comprehensively identifies risks and opportunities in sustainable development, and continuously improves its ESG strategies and practices, so as to better balance and satisfy the needs of its stakeholders and live up to their expectations. We evaluate the key issues of stakeholders' concern, and rank them in order of importance to provide decision-making reference and guidance for the Company's next steps.

Issue Evaluation Process

Issue Identification

By referring to the current development trend of ESG external environment, benchmarking against the standards, guidelines and frameworks related to ESG at home and abroad, and based on the development status of the Company, the key areas closely related to the Company are identified; focusing on "corporate strategy and business priorities", "Enterprise ESG management needs", in light of the suggestions of the Company's management, the company has sorted out and established the list of material issues.

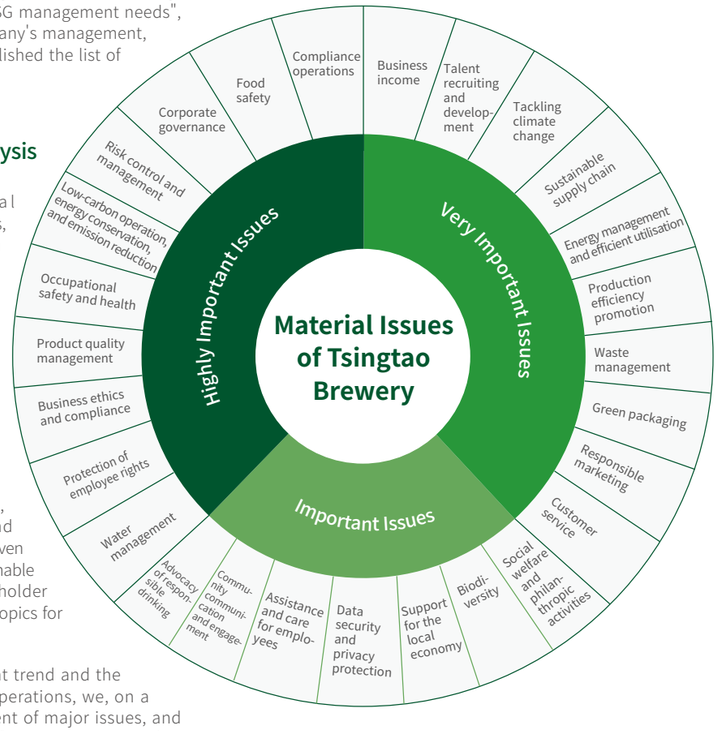
Issue Communication and Analysis

Through such forms as special investigations, online surveys, interviews, meetings, and communications with stakeholders, the Company tries to understand their concerns, gain insights into their expectations and goals for future development, as well as various suggestions and recommendations for improvement. Further, in light of corporate strategy and business development, from the two dimensions of "importance to the sustainable corporate development" and "importance to stakeholders", the issues of common high concern are identified, and their importance is analyzed and ranked. Comprehensive consideration is given with a focus on the contribution to sustainable corporate development, general stakeholder concerns, and guidelines on important topics for ESG-related guidance.

According to the external development trend and the characteristics of our own business operations, we, on a regular basis, further review the content of major issues, and ensure the timeliness and rationality of major issues according to the degree and boundaries of disclosure. Now the Company has sorted out 27 material issues—"highly important issues", "very important issues" and "important issues" according to the degree of importance and attention, and mapped out a list of material issues.

Defining the scope of stakeholders

The Company has identified a range of stakeholders, including consumers, the environment, shareholders, employees, business partners, communities and NGOs, and government.



Issue Review and Confirmation

After review by the Company's Board of Directors, Strategy and Investment Committee and senior management team, the material issues to be disclosed are selected.

01

Focusing on Brewing Good Beer for 120 Years

Based on the mission of Creating Happiness for Life and the quality idea of Building Charm-perceived Quality, Tsingtao Brewery puts consumers first, seizes the consumption trends, continuously inspires forces for innovation, and optimizes the service system to meet the consumers' high-end, diversified, personalized and scenario-based demand for products.

Food Safety and Quality Control 14

Whole Process Management 16

Creating Happiness in Life 20



Food Safety and Quality Control

Tsingtao Brewery strictly abides by the requirements of national and local laws and regulations, such as *The Food Safety Law of the People's Republic of China, The Regulations on the Implementation of the Food Safety Law of the People's Republic of China, The Product Quality Law of the People's Republic of China, Measures for the Administration of Food Production Licensing, Measures for the Administration of Food Business Licensing and Filing, Measures for the Administration of Food Safety Sampling Inspection.* The Company also strictly follows the requirements of national food safety standards such as GB14881 *National Standard for Food Safety—General Hygienic Code for Food Production*, GB5749 *Hygiene Standard for Drinking Water*, and GB/T4927 *Beer*. The relevant national food safety standards have been promptly incorporated in the Company's internal control standards to ensure that product indicators and production hygiene norms are in line with national laws and regulations and national standards for food safety.

Tsingtao Brewery has established the Tsingtao Brewery Food Safety Management System covering the whole life cycle of its products by utilizing advanced food safety management systems such as HACCP, TACCP and VACCP. Tsingtao Brewery has put food safety control first in its strategic management and quality control, realizing a closed-loop control process for food safety. Meanwhile, the Company has put in place a sound food safety responsibility system and a dynamic management mechanism for food safety risk prevention and control, strengthening the implementation of the main responsibility for food safety, emphasizing prevention in advance, preventing the occurrence of food safety problems, and fully protecting the food safety of products.

For unsafe products sold in the market, Tsingtao Brewery has formulated food safety management systems such as Tsingtao Brewery Emergency Plan for Food Safety Incidents and Product Withdrawal Management Process in accordance with the Food Recall Management Measures issued by the State to standardize product withdrawal management. The non-conforming products can thus be promptly and effectively withdrawn, ensuring that the withdrawal process meets the requirements of national laws and regulations, and protecting the legitimate rights and interests, physical health and personal safety of consumers.

We strive to be the leader in food safety control standards, to maintain the industry's leadership, and achieve "0" food safety incident. We conduct a comprehensive hazard analysis and risk assessment for raw materials, production, logistics, terminal and other processes, and identify the critical control points in the beer production process for rigorous control, so as to ensure that consumers are satisfied with conforming products.

Measures

Whole Chain Food Safety Control

Tsingtao Brewery adheres to the food safety management concept of "building the safety dam on the tip of the tongue", practices the food safety management of the whole supply chain, and establishes a food safety management system for the whole life cycle of products involving source materials, production process and logistics sales, covering more than 30 management processes such as GMP, production process hazard analysis, and food protection management. The Company has further established and implemented a dynamic prevention and control mechanism for food safety risks, and checked the whole chain, all subjects and all varieties for food safety risks; a food safety risk control list has been made; daily control, weekly check and monthly scheduling work has been arranged and improved; the subject responsibility for food safety has been consolidated. All these efforts are to strictly adhere to the bottom line, and ensure food safety.

Improved

11

Food Safety Related Indicators in the Internal Control Standards

Implemented

2

Food Safety Policies, Regulations and Standards



273 Batches of Products Subject to Spot Check under State Supervision Product Percent of Pass

100%

1,612 Batches of Products Subject to Internal Monitoring Food Safety Indicators and national quality standards Item Compliance Rate

100%

Implementing controls against international food safety standards

Expand the scope of food safety standards to countries and regions such as Europe, North America, Japan and South Korea; establish a database of risk material detection methods and bring it up to the international advanced level, and carry out risk screening and control of beer and major brewing materials.

Rigorous Control at the Source

We have established strict quality qualification management for suppliers, implemented strict material risk monitoring, moved all material monitoring to the upstream of the supply chain, and kept major raw material cultivation sites under control. We have strictly implemented supplier access management in accordance with the Company's supplier quality management process, and adopted the "one vote veto" mechanism for suppliers with problems in qualification management, product monitoring and on-site audit, so as to effectively build the first defense of good quality.

Rigorous Risk Control

We have built a beer food safety monitoring platform, formulated a rigorous sampling process, implemented a third-party independent sampling testing and confirmation system, and adopted targeted risk management and control in accordance with the monitoring principle of full coverage of product and material monitoring.

We have further established the Tsingtao Brewery food safety information monitoring platform, and stayed updated with the changes of laws, regulations and standard for better publicizing and implementation. In 2023, the Company improved the food safety indicators in 11 internal control standards, implemented 2 new food safety policies, regulations and standards, and formulated corresponding control measures to avoid food safety risks.

Rigorous Process Control

All factories have established a standardized quality management system and model for effective control, and quality and food safety assurance. A quality control system has also been put in place for whole process product control in the order of raw materials - production - logistics - terminal.

Upgraded Food Protection

We have upgraded the food protection system and prepared the Food Protection Manual, extending the food protection system up and down the supply chain. We have extended food protection measures to the supplier and carrier of raw materials and materials in contact with beer, as well as the carrier of products; the food protection level in the production process of the manufacturing plants, and the highest level of food protection area have been defined; Full coverage of video surveillance without dead zones, the configuration of intelligent personnel behavior recognition system have comprehensively upgraded food protection.

In 2023, the national regulatory department conducted 197 inspections on Tsingtao Brewery Factory, and 21 inspections on the factory bar, detecting no violations of laws and regulations, imposing no administrative penalties, and revealing 100% compliance. The 273 batches of products subject to spot check under state supervision were 100% conforming. For the 1,612 batches of products subject to internal monitoring, the item compliance rate of food safety indicators and national quality standards was 100%.

Whole Process Management

Objectives

Tsingtao Brewery aims to establish a standardized quality management system and model, put in place a sound quality control system from raw materials, production, logistics, terminals and other links, implement strict whole process control of products, and build a defense line of product quality and safety.

Measures

Selected Quality Raw Materials

We have rigorously selected the suppliers of raw materials and ingredients, and adopted the "one vote veto" mechanism for suppliers with problems in qualification management, product monitoring and on-site audit, so as to effectively build the first defense of good quality. We have selected raw materials with the best brewing flavor and performance, and set strict screening standards and processing procedures on barley, hops and other raw materials, so as to fully ensure the safety and quality of raw materials.

Tremendous R&D Strength

Tsingtao Brewery has the only State Key Laboratory of Beer Bio-fermentation Engineering in the brewing industry which is one of the first batches of China Key Laboratories in the Light Industry. The Company has also been rated as Advanced Unit of China Science and Technology Innovation Platform in the Light Industry. The Postdoctoral Workstation has been awarded the title Excellent Postdoctoral Workstation in Qingdao.

The Company has six core technologies and more than 100 peripheral technologies with independent intellectual property rights, and three key technologies have been evaluated as internationally leading.

Through the original flavor mapping technology, the "decoding" of consumer demand has realized a profound transformation from "sketch portrait" to "precise portrait".

In 2023, the related technologies won the First Prize of Qingdao Science and Technology Progress Award, the Second Prize of Qingdao Science and Technology Progress Award, the Third Prize of Science and Technology Progress Award of the China National Light Industry Council, the Second Prize of Science and Technology Invention Award of the China National Light Industry Council, the Third Prize of Science and Technology Progress Award of the China Alcoholic Drinks Industry Association; the products won 27 awards in international and domestic competitions, such as the Brussels Beer Challenge, the World Beer Championships, Asia International Beer Competition, and CBC China International Beer Challenge.

In 2023, the Company participated in the formulation of a national vocational skill standard and in the development of 11 group standards, released two internal standards and 10 corporate standards.

In 2023, the Company further developed and launched 5 alcohol products and 9 beverage products.

In 2023, Tsingtao Brewery, together with China Alcoholic Drinks Industry Association and China National Research Institute of Food & Fermentation Industries, held the 6th (CIBC) China International Beer Technology Summit Forum 2023 and the 1st (Qingdao) International Summit on Food Bio-Manufacturing Innovation. The Company demonstrated its scientific and technological achievements and strong scientific and technological strength, and enhanced the national reputation of Tsingtao Brewery and even the Chinese beer industry.

As the only enterprise representative of the Chinese brewing industry, the Company made an academic report and speech at the American Society of Brewing Chemists (ASBC) Conference which is a global brewing technology exchange event focusing on the fields of wheat production, fermentation, brewing, and beverage. Our report and speech aroused heated discussions and high appreciation from international experts.

More than 1,800 Quality Inspection Points

The Company has established a unified inspection standard system, and each bottle of beer has to go through more than 1,800 quality inspection points; the ERP quality data system has been adopted to achieve statistical analysis, promote quality improvement, and conduct comprehensive quality monitoring; the Company has also established internal control standards for semi-finished products and finished products, and formulated 377 inspection SOPs (standardized operating procedures).

Each batch of products has been subject to ex-factory inspection according to the product implementation standards, and only the conforming products can be shipped out of the factory for sales.

Following the unification principle in test methods, test instruments, personnel capabilities, management requirements, quality data system, quality control evaluation, we ensure that all factories are accurate and consistent in quality control.

We implement end-to-end full chain quality monitoring. At the supplier end—We fully implement the pre-monitoring of food safety of collected materials, and move the "factory end" to the "supplier end batch full coverage"; at the factory end—whole process system check, factory + headquarters on-site monitoring of key matters; at the market end—We have implemented the industry-first third-party independent sampling testing system for market products, covering all market products, formulating specialized plans for rigorous inspection on focus products and risk items, and thus preventing quality risks.

The Company has trained

51

National Beer Tasters

Accounting for

45%

of the National Total

Consistent Tasting Control

The Company is the first enterprise in the industry to establish a comprehensive three-tier product evaluation system, with whole process evaluation from raw materials, production, logistics and terminal, and develop a more accurate 10-point evaluation standard to continuously improve product taste quality. The Company has also established a centralized evaluation mechanism for the same category to identify subtle differences, and promote the consistency of the taste of the same category.

Thus far, the Company has trained 51 National Beer Tasters, accounting for 45% of the national total, ranking first in the industry; the Company won the champion for two consecutive sessions of the National Industry Vocational Skill Competition—"Zhen Mai" Cup National Beer Tasting Professional Skill Competition, and its beer tasting team won the honorary title of "National Women's Civilization Post".

Intelligent Logistics Management

The Company improves the modernization level of the whole industrial chain and supply chain from upstream procurement to downstream terminal distribution, is able to identify and predict consumer demand, and continues to build a warehousing and distribution system that can cover all consumers: we have established a supply chain information business platform and a mobile order platform, realized integrated management of data, visualization of orders in the business chain and information sharing, and achieved integrated management of regional production, supply and marketing. With the help of distribution network and integration of resources, we have improved the efficiency of logistics and urban distribution service quality, and reduced truck emissions and urban traffic congestion.

In 2023, we built the Tsingtao Brewery Intelligent Supply Chain Decision-making Platform which, by virtue of modeling algorithms, formed the optimal planning scheme to ensure efficient and accurate supply and demand balance. We have also built the data management platform of Mazhilian to realize the track query and multi-scenario code-scanning marketing function from the production end to the client end of the products.

Service System and Data Protection

Complaint Closure Rate for 2023

>99%

Customer Satisfaction in 2023

100%

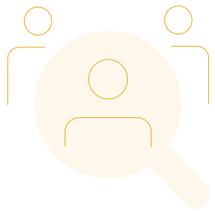
Concerned about consumer needs, the Company is committed to providing consumers with diversified service modes and ultimate service experience from an "immersive experience of soft elements of service". The Company has set up customer service hotlines started with 400 and 800, and established convenient and efficient communication and service channels through informationization means such as "intelligent customer service", "customer service information feedback terminal" and "satisfaction survey questionnaire".

The Company optimizes the workflow, continuously perfects the management content of Customer Service Management Process, and regularly checks and traces the completion of work; the regional customer service specialists will contact the complainant within 20 minutes of receiving the referral information; the annual target of product quality complaint resolution rate ⩾ 95%, the annual target of service quality complaint resolution rate ⩾ 95%; there is also grading evaluation of complaint handling efficiency.

The Company also strengthens communication with dealers, conducts customer satisfaction surveys with a focus on service quality and product quality, maintains the balance of services through monitoring of customer service status, improves problem-solving capabilities, and continues to promote innovation in customer service work. In 2023, the customer satisfaction rate was 100%.

In 2023, the Customer Service Center received a total of 3,570 complaints about products and services, with an annual resolution rate of over 99%.

The Company strengthens the effectiveness and implementation of data protection, adopts comprehensive and feasible protection measures, respects the privacy information of business partners, consumers and customers, as well as standardizes the collection, processing, storage and use of personal information according to law. Relevant staff members abide by national confidentiality laws and regulations and the Tsingtao Brewery Confidentiality System, and sign the Tsingtao Brewery Letter of Commitment for Compliance to avoid leakage and loss of relevant information, fulfill their confidentiality obligations, and safeguard information security.



Responsible Marketing and Promotion

In strict accordance with the national laws and regulations on product publicity and brand promotion, the Company has built a multi-dimensional publicity terminology review mechanism, and adopted multiple measures to promote responsible marketing and keep the content of claims under control, ensure logo, labeling, publicity compliance of the marketed products, and guarantee responsible publicity and promotion.

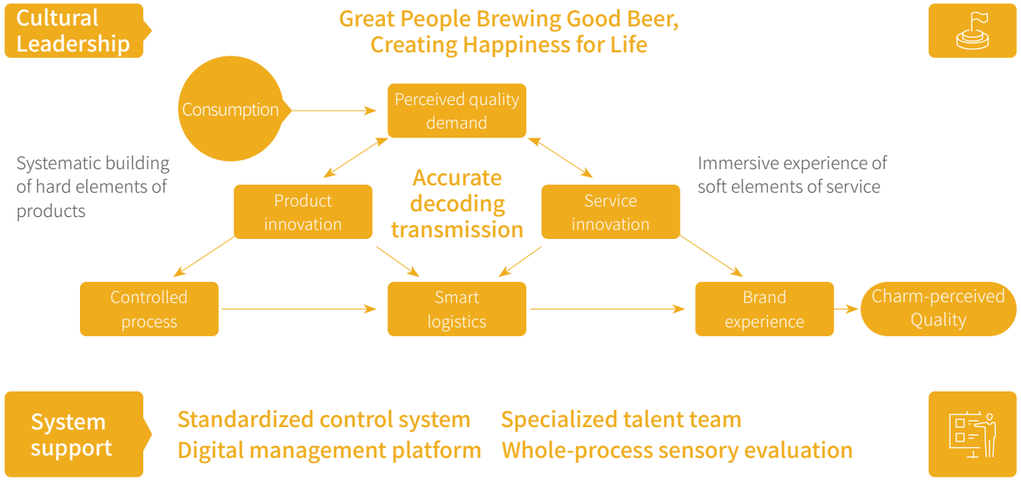
The Trademark Law of the People's Republic of China, The Regulations on the Implementation of the Trademark Law of the People's Republic of China, The Advertising Law of the People's Republic of China, The Law of the People's Republic of China against Unfair Competition and other laws and regulations have been strictly implemented in product packaging image design. The product text information marked complies with the requirements of national standards such as GB/T4927 Beer and General Rules for Labeling of Pre-Packaged Food. Brand advertising materials design complies with the requirements of *The Advertising Law of the People's Republic of China* and *The Law of the People's Republic of China against Unfair Competition*. The Company has continuously improved the packaging evaluation system, and set up corresponding performance assessment indicators for packaging technology for rigorous control over the quality of product packaging. For the newly marketed products, the Company has formulated the New Product Development and Marketing Management Process and other internal systems, and conducted legal review of product packaging image and promotional material design documents; for the secondary packaging products, the Company imposes clear supervision and control over material trademarks, logos, advertising slogans, appearance designs, forms and packaging quality. The Company conducts qualification review of the cooperative dealers and on-site inspection of the outer packaging quality of the warehouse products, and disposes of the products with non-conforming packaging quality to ensure the service standards of product sales.



Creating Happiness in Life

Charm-perceived Quality

Craftsmanship over one hundred years casts the soul of quality. In the era of consumer sovereignty, Tsingtao Brewery continues to pay attention to the "basic needs" and "changing needs" of consumers, and constantly explores the "potential needs". In practice, the management model of "Charm-perceived Quality Based on Digital End-to-End Decoding" has come into being. From the two pathways of systematic building of hard elements of products, and immersive experience of soft elements of service, the Company has continuously enriched and deepened the connotation of quality, established six end-to-end accurate decoding transmissions from "perceived quality demand, product innovation, controlled process, service innovation, smart logistics, brand experience" , providing consumers with high-quality products and services.



The management model of "Charm-perceived Quality Based on Digital End-to-End Decoding"

In 2023, Tsingtao Brewery continued to optimize the product structure featuring 9 series and multiple product matrices-Yishichuanqi, Bainianzhilv, Classic, Draft, White Beer, Fine Original, Crystal Draft, Amber Lager, Augerta, Hongyundangtou, Pilsner and IPA, maintaining its competitive advantage in the domestic beer market. The Fine Original and Crystal Draft are newly launched, packed in globally pioneering packaging form and instantly delivered, which are highly favored by consumers.

Yishichuanqi (Ruby) Barrel Aged Beer Limited Edition

On January 1, 2023, Tsingtao Brewery Yishichuanqi (Ruby) Barrel Aged Beer Limited Edition was released on the occasion of the upcoming Spring Festival. After one year aging in the oak barrel, Yishichuanqi beer turns into barrel aged strong Amber Lager vintage. The beer fully absorbs various aromatic substances rich in the oak barrel, brewing a richer and more harmonious, softer and mellower taste. Featuring a red festive package, the exquisite bottle exudes a ruby-like glitter. Together with the rare hand-cast gift box, the beer bursts into champagne-like fireworks when opened, capturing the supreme rite of the Spring Festival.



120th Anniversary Collection 1903 Evergreen Four Seasons Series

In June 2023, Tsingtao Brewery released the 120th Anniversary Collection 1903 Evergreen Four Seasons Series. The four products Spring, Summer, Autumn and Winter are meticulously brewed with selected quality barley, unique baking process of Tsingtao Brewery, and two-stage low temperature slow brewing since 1903. The images of traditional Chinese culture are integrated into the product design. The Swallow, Roc, Golden Eagle and Deer representative of the four seasons are visually reshaped to convey the concept.



Fine Original

Made with the century-old two-stage low temperature slow brewing of Tsingtao Brewery, Fine Original follows the principles of "no filtering, no dilution and no sterilizing" to fully maintain active yeast, amino acids and other nutrients. The golden yellow body reveals a natural state of turbidity and fine foams. The beer has a rich barley fragrance and a long aftertaste. The integrated stamping, stretching and forming aluminum bottle technology is adopted. The full cold chain transportation allows a constant temperature of 5° C, so that consumers can taste the beer only accessible to previous brewers in any scene, and enjoy the same freshness as drinking next to the production line.



Crystal Draft

Packed in an aluminum bottle, Crystal Draft is brewed with quality Canadian barley. Malt preparation adopts the unique barley flavor process of Tsingtao Brewery. Four varieties of royal hops, including Saaz hops and Sladek hops are selected to make a noble and elegant fruity aroma. The century-old year and unique water quality control technique of Tsingtao Brewery are also used. The unique fresh locking process realizes a fresh experience of the whole life cycle. With an exclusive 21-day flavor shelf life, every sip is at its best for the ultimate fresh experience.



Augerta A6

The beer is brewed with selected high-quality imported barley, European noble hops and other precious raw materials sourced across the world. The amber gold body provides a rich texture and unique taste. The interwoven barley fragrance, caramel flavor and floral fragrance offer a mellow and silky smooth mouthfeel.



0.0% Alcohol White Beer

The product is brewed using white beer liquid, and innovative vacuum distillation dealcoholization technology. High-quality barley malt and wheat buds are selected as raw materials, and the 100% all-malt formula is integrated with century-old exquisite brewing elements for brewing with the top fermentation method. Then through vacuum distillation dealcoholization, the alcohol content of the liquor is controlled below 0.05%vol, and the energy material content is strictly controlled. With a rich aroma is rich and a pure flavor, the low-energy fashion drink can help you start a new way of life.



Nicaxi White Beer

The product is a classic, yet featuring an innovative formula and process, brewed with a variety of dried orange peel and coriander seed spices. While the cloudy appearance of the white beer is retained, the aroma of orange, coriander and fruit ester is more distinctive.



IPA

Gold Award, Brussels Beer Challenge

Yishichuanqi, Pilsner

Gold Award, Asia International Beer Competition

Yishichuanqi, Whole-wheat White Bear, Retro National Trend, Wheat Bock and Belgian Dubbel

Gold Award, World Beer Championships

Tsingtao Original, Augerta

Four-Star, Tianlu Award at the CBC China International Beer Challenge

Crystal Draft, 0.0% Alcohol White Beer, Augerta A6

New Wine Product at the 2023 Qingzhuo Award









Immersive Consumption Experience

Tsingtao Brewery has built a network of 200 consumption venues across the country, including TSINGTAO 1903 Bar, Times Coast Fine Beer Garden, 1 Zhongshan Road, Liyuan 1903 MIX and Tsingtao Brewery Museum. Tsingtao Brewery integrates its products with multiple life scenes, and provides consumers with a full-scene immersive brand experience by constructing emerging fashion beer consumption spaces to meet their scenario-based needs.





The Tsingtao Beer Festival has grown into Asia's largest beer event. On occasion of the 120th Anniversary of its Founding, Tsingtao Brewery brought all kinds of Tsingtao beer products and theme activities to nearly 100 beer festivals across the country with the theme of "Thank You For Companionship over the Past 120 Years and Create a Beautiful Future Together". The beer festival activities across all corners of the country started a beer culture feast, and all visitors were immersed in the passion and carnival of beer.





The exciting sports and music marketing activities have fully enriched the international, youthful and fashionable connotation of the Tsingtao Brewery brand. Different fan activities are organized to enhance the loyalty between the brand and fans, and create an experience communication platform for fans; by connecting beer and music art, the immersive consumption experience scene with the theme of "Tsingtao Draft IN Music" space delivers a sense of freshness, youth and pleasure to consumers.







Appeared at the First China International Supply Chain Promotion Expo



Super Upscale Private Event

02

For a Better World

Tsingtao Brewery takes "a model for the green development of the beer industry" as its environmental vision, and closely upholds the environmental mission of "promoting the sustainable development of the Company and realizing harmonious coexistence with nature through the implementation of environmental protection, low-carbon management and circular economy". Efforts have been made to constantly improve the establishment of environmental management system, attach great importance to the rational use of resources, build leading factories with lean management, actively respond to climate change, and strive to achieve a balanced progress of production efficiency and ecological civilization.

Climate Action	29
Sustainable Water Use	40
Packaging and Waste	44
High-end, Intelligent and Green Development	48



In 2023, Tsingtao Brewery scored a series of landmark achievements in green development and won the honor of 2023 China's Top Runner for Industrial Carbon Peaking; The Wastewater Value Sharing Project was included into the Cases of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change; the Company was invited to participate in the 2023 Industrial Green Development Achievements Exhibition organized by the Ministry of Industry and Information Technology, and made a keynote speech on "Beer Wastewater Resource Low-carbon Case" at the 2023 Qingdao International Water Conference. Now 20 factories have been selected as National Green Factory, ranking first in the industry. The technology of the Beer Wastewater Value-sharing Project was honored with the Second Prize of Qingdao Science and Technology Progress Award, the Third Prize of Science and Technology Progress Award of the China National Light Industry Council The energy use structure has been continuously optimized. By 2023, 50 factories had used renewable energy, accounting for 72.4% of electricity consumption, and 31 factories (including 16 factories in Shandong Province) had used 100% renewable energy. Another 7 factories had installed 9 MW of distributed PV. In 2023, the Company invested RMB 110.76 million in green development fixed assets.





The Company Honored as 2023 China's Top Runner for Industrial Carbon Peaking



Honored with the Third Prize of Science and Technology Progress Award of the China Alcoholic Drinks Industry Association

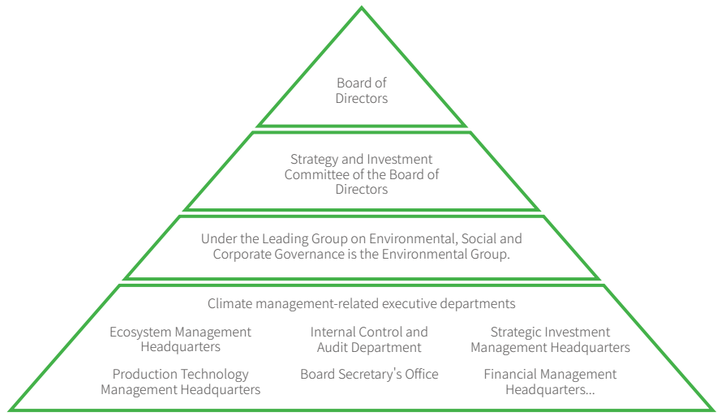


Awarded The Second Prize of Qingdao Science and Technology Progress Award

Climate Action

Climate change has become an issue of great concern around the world and may have an impact on the development of the beer industry. Tsingtao Brewery implements the deployment and requirements of China's "dual-carbon" goals, takes into full consideration the impact of climate change on the industry and itself, and continues to improve its work with reference to the framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the Guidelines on Environmental, Social and Governance Reporting revised by the Guidelines on Environmental, Social and Governance Reporting of the Stock Exchange of Hong Kong Limited.

Tsingtao Brewery has established a climate change governance structure to strengthen its ability to address climate change. A sound climate-related governance structure has been established, extending from the management and oversight of climate-related issues at the top of the organization to the implementation of climate actions by the executive departments, with corresponding responsibilities at each level.



Tsingtao Brewery Climate Change Governance Structure

Oversight of the Board of Directors

The Board of Directors of Tsingtao Brewery attaches great importance to climate risk management for the purpose of sound production and operation, and has established an effective climate change governance structure, whereby the Board of Directors is responsible for overseeing and guiding the Company's environmental, social and governance strategies, and monitoring climate change related risks and opportunities through the Strategy and Investment Committee.

Responsibilities of the Management

Tsingtao Brewery has established the Leading Group on Environmental, Social and Corporate Governance for the development of overall plan, system, policy, strategy and objectives of ESG management. The climate risk related responsibilities have been assigned to the Environmental Group which is responsible for identifying climate risks and opportunities, establishing a climate change risk inventory, managing climate risks, and regularly disclosing climate-related financial information.

Under the Leading Group on Environmental, Social and Corporate Governance is the Environmental Group to coordinate management execution departments such as Ecosystem Management Headquarters, Production Technology Management Headquarters, Internal Control and Audit Department, Board Secretary's Office, Strategic Investment Management Headquarters and Financial Management Headquarters for management of climate risk related opportunities.

Carbon Footprint Management

The Company is committed to continuously reducing the emissions of carbon dioxide and other greenhouse gases. It invites third-party organizations with professional qualifications to carry out greenhouse gas verification every year. A quantitative model of greenhouse gas inventory has also been established, so as to identify carbon emission data in all aspects and continue to look for carbon reduction points in order to minimize the impacts of climate change on its own operations.

The Company has established a mechanism for evaluating the carbon emissions of cooperative partners, clarified the pathways for different sources of carbon emissions, sorted out 23 upstream and downstream carbon reduction initiatives, and promoted carbon reduction along the whole value chain in a categorized and systematic manner.

Product Carbon Footprint

- As early as 2010, Tsingtao Brewery took the lead in China's brewing industry in conducting a greenhouse gas inventory and product carbon footprinting, and became "the first pilot unit of the low-carbon system (ISO14064) in China's brewing industry". Tsingtao Brewery has been carrying out a company-wide corporate greenhouse gas inventory since the beginning of 2019, and has set 2019 as the base year for the inventory. We have trained more than 100 internal auditors in carbon inventory, set up a relatively standardized carbon management team, established an internal greenhouse gas inventory system, conducted annual greenhouse gas inventory of our factories, and entrusted qualified third parties to carry out verification every year. These measures are to gain a clear picture of our carbon emission data, and provide data support for the realization of carbon neutrality of the Company and carbon reduction of the whole value chain. Thus far, the Company has invited qualified third parties to select representative products of the factory every year for product carbon footprint inventory and verification, and issue product carbon footprint verification statements. Cumulatively, we have completed product carbon footprint verification in more than 20 factories for 20 products.

Green Logistics

- We have extended our carbon reduction efforts to our industry chain partners by optimizing routes, increasing the use of clean energy vehicles, and improving the efficiency of loading and unloading automation to reduce emissions from logistics, transportation and loading and unloading. In 2023, we used 60 clean transportation vehicles such as LNG new energy and pure electric vans. The Company will continue to increase the use of new energy vehicles in 2024, and plans to reach a total of 100 new energy vehicles among the national carriers' own vehicles by 2025. Pallet transportation can drive carriers, warehouse management logistics service providers, and distributors to improve automated loading and unloading and warehouse standardization management, reduce loading and unloading transportation costs, improve transportation efficiency, avoid carbon emission reduction as a result of repeated loading and unloading and transportation. Tsingtao Brewery's pallet transportation rate nation-wide reached 98% in 2023.

Indicator Data

Total greenhouse gas emissions and intensity from beer brewing.

Greenhouse gas emissions data certified by a third-party company

Greenhouse gas		Unit	2021	2022	2023	2023 Year-on-year variation
Total greenhouse gas emissions (Scope 1)	Ration	Ton of carbon dioxide equivalent (ton)	235,455	188,948*	211,748	12%
Total greenhouse gas emissions (Scope 2)	Ration	Ton of carbon dioxide equivalent (ton)	543,191	555,148	241,848*	-56%
Total greenhouse gas emissions (Scope 3)	Ration	Ton of carbon dioxide equivalent (ton)	/	5,289,280	4,973,467	-6%
Total greenhouse gas emissions (Scope 1 +2 +3)	Ration	Ton of carbon dioxide equivalent (ton)	/	6,033,376	5,427,063	-10%
Greenhouse gas emission density (Scope 1 +2 +3)	Ration	Ton of carbon dioxide equivalent (ton)/Kiloliter output	/	771.7	732.6	-5%

*Calculated on the basis of the market approach

Remarks: Greenhouse gas inventory based on location approach in 2022 and market approach in 2023.



Energy Management

The Company strictly implements *The Law of the People's Republic of China on Energy Conservation* and other related laws and regulations, improves its Energy Management System, Production Statistics Management System and related operation standards, and continuously promotes process innovation, energy-saving renovation and the application of new energy-saving technologies. In 2023, the Company's comprehensive energy consumption of 1,000 liters of beer showed a year-on-year decrease of 6.44% .

Measures

Establishment of Excellence Goal System and Special Incentives

- We have broken the rules of energy consumption goal setting based on the past, established a standard energy consumption measurement model, and driven the optimization of energy consumption with high goals. We have distinguished between different varieties of process design and production process to set up the standard energy consumption of each production link, measured the energy consumption goals according to the factory's production and product structure for the same goal in the same link, and different goals in different factories, and identified the differences in a more accurate and clearer direction for improvement.
- The Company has formulated a special incentive program for energy conservation in factories. It positively guides and motivates factories to pursue excellence and continue to reduce energy consumption, fully mobilizes the innovation of all employees, and gathers progressive strength and provides new driving force for the realization of sustained energy conservation and carbon reduction of the whole company.

Refinement of Process Management

- We have systematically regulated the key energy consumption equipment, energy consumption links, energy use and recovery process; each factory shall identify one policy for one factory according to their own operating conditions, implement more than 5,780 improvement measures, and promote the efficient use and efficient recovery of energy;
- We have advanced real-time monitoring of key control points of key energy consumption equipment, realized linkage control of operation parameters and energy consumption, balanced energy supply and energy consumption requirements, stabilized equipment operation, and refined the granularity of energy consumption process management.

Enhancement of Energy Efficiency

- According to the characteristics of beer production technology, process and equipment, we have tailor-made improvement measures and key control points to reduce energy consumption in each link, summarized and refined 58 core initiatives from the perspective of refining standards, optimizing operation and perfecting equipment, and ensured the effects of the initiatives. Annual investment involving the renewal and optimization of energy equipment and the promotion of new technologies and processes was about RMB 48.14 million in 2023.

Annual investment related to the renewal and optimization of energy equipment and the promotion of new technologies and new processes about

RMB 48.14 million

Photovoltaic power generation

7.95 million kWh

Optimization of Energy Consumption Structure

- We have continuously promoted the use of green electricity, and increased the installed PV capacity. The 7 factories have 9 MW of distributed PV, achieving 7.95 million kWh of electricity generation.

Total Involvement in Energy Conservation and Carbon Reduction

- We have solicited rational suggestions for energy conservation and carbon reduction in the factories, inspired employees to work together on energy conservation and carbon reduction work, innovate and create results, and unleash the wisdom and potential of all employees. After the event, we have summarized many rational suggestions for energy conservation and carbon reduction, such as "Optimizing the operation settings of heat centers to improve the efficiency of heat recovery" proposed by the No.2 Factory. By optimizing the frequency and temperature setting of the 96-degree water tank heat recovery pump, the wort preheating temperature was increased, and the unit consumption of saccharifying steam was reduced by 4%. By optimizing the temperature setting of the cooling sheet in the heat center, the heat recovery efficiency is improved, and the hot water is increased by about 4 tons/batch. Cumulatively, 3,253 tons of steam can be saved, creating an economic value of RMB 933,000.

Comprehensive energy consumption of 1,000 liters of beer decreased by

6.44%

Indicator Data

Types of Energy Use and consumption

Energy Use	Unit	2020	2021	2022	2023	Year-on-year variation in 2023
Coal	Tons of standard coal	2.75	1.59	0.00	0.00	0%
Electricity	10 Million kWh	49.41	48.37	47.34	43.33	-8%
Natural gas	10 Million m^3	8.92	9.22	8.74	7.83	-10%
Heating power	Billion KJ	3,082	2,311	2,500	2,050	-18%
Comprehensive energy consumption per unit product of beer production	Tons of standard coal per one thousand liters	0.039	0.033	0.030	0.028	-6%



PV Project of Tsingtao Brewery No.2 Factory



Pengcheng Branch awarded the title of National Green Factory

Action Case

In 2023, Tsingtao Brewery Baoji Branch and Shanghai Minhang Branch carried out boiler economizer optimization. After updating, the heat exchange area of the economizer increased by 100% compared with the original one, and the boiler exhaust temperature was lowered from 120°C to 80°C , and the overall boiler efficiency was improved by about 2%. Carbon emissions can be reduced by more than 230 tons of carbon dioxide equivalent per year, realizing the unity of economic and environmental benefits.



Baoji Branch (Left) and Minhang Branch (Right) Carried out Boiler Economizer Optimization

Action Case

Tsingtao Brewery No.2 Factory adopted heat pump technology to promote the combined cooling and heating supply project of the packaging workshop, and upgraded the use of the hot air of more than 30 degrees Celsius in the production workshop to generate heat energy above 60 degrees Celsius for the use of the workshop. This reduced steam consumption while lowering the temperature of the packaging workshop and improving the working environment. Through the thermal energy center project, the recovered heat energy was used for bottle washing machines, replacing the primary energy use in the packaging process. By using 100% green electricity, we also realized near-zero carbon emissions in the production of draft beer in the packaging workshop.



Qingdao Brewery No.2 Factory Packaged Air Source Heat Pump Unit

Exhaust Pollutant Emission Reduction Management

Tsingtao Brewery strictly implements *The Law of the People's Republic of China on Prevention and Control of Air Pollution, Emission Standards for Air Pollutants in Boilers* and other laws and regulations, and has established Regulations on Air Pollution Prevention and Control internally to identify and control all waste gas pollutants.

Measures

- The Company has set emission reduction goals, continuously strengthened source control efforts, installed and regularly maintained online flue gas monitoring equipment in compliance with regulations, and regularly entrusted a professionally qualified third-party to monitor exhaust emissions.
- The Company has been equipped with exhaust pollution prevention facilities, ensuring the stable emissions of exhaust pollutants through the application of advanced production equipment and treatment technology.
- The Company has only used purchased steam or gas boilers, and continuously optimized the gas boiler operation control parameters, so as to achieve low nitrogen and efficient operation, and effectively reduce the emissions of exhaust pollutants of various types and realize exhaust pollutant emission reduction data management.

Indicator Data

The Types of Emissions and Emissions Data

Type of Pollutant			Unit	2021	2022	2023	Year-on-year variation in 2023
Exhaust Emission	Nitrogen Oxides	Ration	Ton	109	70	56	-20%
	Soot	Ration	Ton	13	9.31	8.35	-10%

Climate Risks and Opportunities

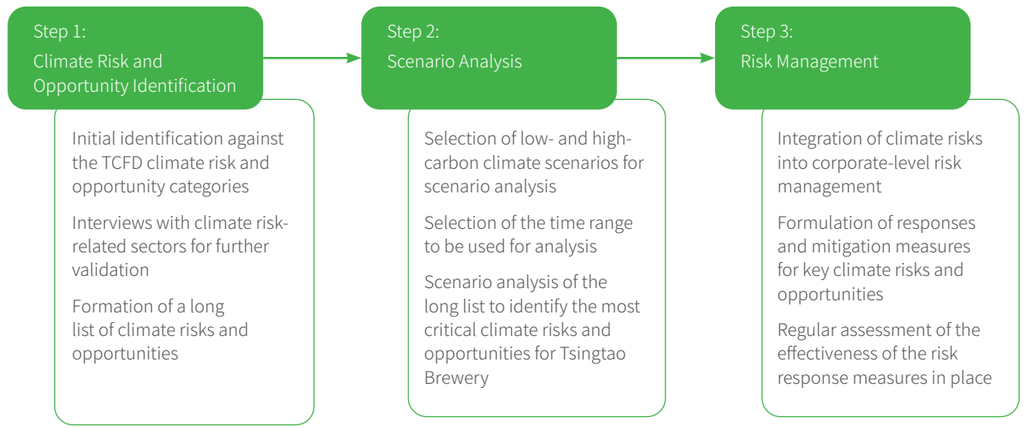
To better understand the potential impact of climate change on Tsingtao Brewery's business, we have selected a low carbon scenario consistent with the Paris Agreement and another high carbon scenario based on TCFD requirements for scenario analysis, including physical risk assessment as well as transition risk and opportunity assessment. We have identified a range of physical and transformational climate risks and opportunities that may arise in the future, assessed the potential impacts on companies of major acute and chronic weather events, including extreme heat, water stress and droughts and floods, and taken into account the policy, legal, market, technological and reputational risks and opportunities associated with the transition to a low-carbon economy.

Risk Management

Tsingtao Brewery actively identifies, evaluates and manages potential climate risks, plans to incorporate them into its risk management system, and continuously improves its climate risk and opportunity management process.

Process for Identifying and Assessing Climate Risks and Opportunities

In 2023, Tsingtao Brewery carried out a comprehensive and systematic assessment of climate risk and opportunity identification, with the main steps shown in the figure below:



Process for Identifying and Assessing Climate Risks and Opportunities

Tsingtao Brewery Long List of Climate Risks and Opportunities

Category		Climate-related Risks and Opportunities (CRRO)
Physical risks	Acute	Extreme heat
		Extreme cold
		River flooding
		Extreme precipitation flooding
		Coastal flooding
		Tropical cyclone
		Landslides caused by precipitation
		Wild fire
	Chronic	Water stress and drought
Transformation risks	Policies and laws	Carbon pricing mechanism
		Tightening regulatory requirements for future carbon emission reduction-related policies
	Technology	Acquisition or application of new emission reduction technologies
	Market	Increase in energy (natural gas) prices
		Tight supply and rising prices of key raw materials
	Reputation	Reputational impact of meeting or not meeting carbon commitments for low-carbon development
Transformation opportunities	Energy sources	Utilization of renewable energy
	Resource efficiency	Lower carbon logistics and transportation
	Products and services	Consumer preferences for eco-friendly and low carbon products

Key Climate Risk Response Measures

Potential key risks/ opportunities	Response measures
Water stress and drought	Management improvement: ● Upgrading facility management, and adopting water-saving equipment and rainwater recycling systems to reduce water consumption and water usage and improve water resource utilization efficiency. Engineering measures: ● Minimizing dependence on external freshwater supply by increasing water recycling ratio and back-up water sources within factories and, in the event of water shortage, by considering alternative water sources.
Extreme heat and extreme cold	Management improvement: ● Considering the impact of climate resilience (e.g., flooding, topography, and other geographic factors) in the design and construction of factories and in the selection of future sites for new factories, and improving the ability of facilities and equipment to withstand extreme weather and minimizing the impact of extreme heat and other weather conditions. ● Developing and implementing emergency response plans for extreme weather (extreme heat and extreme cold), including evacuation plans, alternative storage locations for raw materials and products for personal and property safety protection. ● Developing a business continuity plan. ● Developing and implementing guidelines for outdoor work in extreme weather conditions. Engineering measures: ● Enhancing the heat dissipation capacity of buildings and the efficiency of equipment, constructing and regularly maintaining back-up power supply, and ensuring the reliability of back-up power supply. ● Preparing emergency supplies for extreme weather, such as backup power supply and sandbags for flood control.
Carbon pricing mechanism	Management improvement: ● Continuously increasing share of renewable energy. ● Working with supply chain partners to drive greenhouse gas emission reductions from partners. Engineering measures: ● Reducing greenhouse gas emissions in Scopes 1 and 2 from own operations through process upgrading and equipment modification and upgrading.

Based on the results of the scenario analysis, the overall physical climate risk at the company level is low and in the low risk category. Water stress and drought, and extreme heat are among the risk events that the Company needs to focus on primarily. After scenario analysis, carbon pricing mechanism is the main transformational risk for the Company. We respond to potentially critical medium- and high-climate risks and opportunities to mitigate the impact on our operations. In order to establish a comprehensive risk management system, identify and focus on company-level risks, and monitor and evaluate the effectiveness of the operation of its risk management system, the Company has classified climate risk as a company-level risk to be managed, and continuously improved its climate risk management policy.

Objectives

Tsingtao Brewery has formulated a green and low-carbon development strategy with clear reduction goals. In 2024, the Scope 1+2 carbon intensity will be 23% lower than that of 2019; emissions of nitrogen oxides per unit of product will be decreased by 71% compared with 2019; emissions of hazardous waste per unit of product will be decreased by 20% compared with 2019; emissions of non-hazardous waste per unit of product will be decreased by 32% compared with 2019. The comprehensive energy consumption of one thousand liters of beer will be 35% lower than that of 2019; renewable energy will account for 75% of electricity consumption.

Third-Party Verification

Bureau Veritas Certification

Bases for greenhouse gas inventory:
- ISO 14064-1:2018 Greenhouse gases—Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- System for Greenhouse Gas Accounting—Corporate Accounting and Reporting Standard (EARS)
- System for Greenhouse Gas Accounting—Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Bases for greenhouse gas verification:
- ISO14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Assurance level:
- Reasonable assurance level

Methods of verification:
- Interviews with employees;
- Documentary evidence provided for review;
- Review of data and information systems and methods for collecting, summarizing and analyzing greenhouse gas emissions data;
- Sampling verification of greenhouse gas emissions data.

Verification comments:

Based on the verification work implementation process and verification findings, the greenhouse gas emissions data provided by Tsingtao Brewery Co., Ltd. in the Inventory Report is consistent with ISO 14064-1:2018 Greenhouse gases—Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, System for Greenhouse Gas Accounting—Corporate Accounting and Reporting Standard (EARS) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Meanwhile, we believe that Tsingtao Brewery Co., Ltd. has put in place appropriate systems and procedures for collecting, aggregating and analyzing quantitative data, which allow it to derive greenhouse gas emissions results for the above boundaries and cycles.

Statement of Independence, Impartiality and Competence:

Bureau Veritas has been providing independent verification services in the areas of quality, environment, occupational health and safety and social responsibility for more than 190 years. The Bureau Veritas verification team has no other business relationship with Tsingtao Brewery Co., Ltd. and its management, and the verification activities of the verification team are independent and impartial without any conflict of interest. Bureau Veritas implements the Code of Business Ethics throughout its operations to ensure that employees maintain the highest ethical standards in their day-to-day business activities.

Verification Team Leader: Tian Pin **Verification Date:** March 15, 2024

Statement No.: EMICN100334A **Date of Issue:** March 20, 2024

Version No.: No.1

Authorized Representative of Bureau Veritas Certification (Beijing) Co., Ltd.

Address of Certification Body: Room 902, 9/F, West Office Building, Oriental Plaza, 1 East Chang'an Street, Dongcheng District, Beijing, 100738, China.
Further clarification of the scope of verification of this Statement may be obtained directly from the holder of this Statement.
For verification of the validity of this Statement, please call +86010-59683888.

Sustainable Water Use

Water is a necessary element for beer production and an important safeguard for national development and people's livelihood. Water resources are distributed unevenly in the world, and fresh water resources are in short supply in China. In order to cope with the increasingly severe water resources situation in the world and to utilize fresh water resources more rationally, Tsingtao Brewery takes water resources management as the top priority in its business operations, actively sets up scientific and reasonable short-term goals, and explores in-depth the effective measures of water conservation and emission control to comprehensively push forward the sustainable use of water in the enterprise.

Water resource management

Tsingtao Brewery has always adhered to the water conservation concept of source reduction, process control, in-depth treatment and gradient utilization, strictly followed *The Water Law of the People's Republic of China* and other relevant laws and regulations, actively responded to the *Action Plan for the Prevention and Control of Water Pollution* issued by the State Council. The Company has further revised and improved internal systems such as the Energy Management System and the Guidelines for the Economic Operation of Deoxidized Water Preparation, so as to continuously promote the all-round control of water resources. The main sources of water for the factories are municipal water supply and groundwater, and we have reviewed the organizational structure of the Company's energy management and improved the management of water resources. The Company has strict requirements on both water quality and water quantity; Water conservation goals and product water consumption indicators are issued to each manufacturing system every year. Water conservation projects cover 100% of the factories, and 100% of factory sewage is discharged up to standard. Meanwhile, the Company has strengthened water-saving transformation efforts, strictly managed all aspects of production water use from the source, vigorously improved water efficiency, and promoted the recycling of water resources.

Objectives

We set reasonable water conservation goals and take various effective water conservation measures before factory construction and during the production process to minimize the pressure on local water resources caused by production and operations, and raise the awareness of water conservation throughout the whole industrial chain. In 2023, water consumption was decreased by 12% year-on-year and water consumption per unit of product was reduced by 8% year-on-year. In 2024, Tsingtao Brewery's water consumption per unit of product will reach 2.9m^3/kL, with a drop of 22% from 2019.

Measures

Measures Taken before Factory Project Implementation

- Developing a strategy and performance implementation framework for water resources management
- Conducting water resources risk assessment and management at all operating sites
- Monitoring water stress in different water sources
- Formulating a water conservation plan
- Expanding diversified water resources and recycled water alternatives
- Partnering with local governments or organizations to develop water-saving technologies
- Adopting advanced water-saving equipment and technologies to avoid excessive impact on local water sources

Measures in Production

- Continuously promoting the benchmarking management of water consumption covering the whole production process, reducing the spray water consumption of bottle washing machines; taking the optimization of reverse osmosis operation, pump cooling water chain control and other key water conservation measures to comprehensively reduce the consumption of water resources.
- Actively exploring recycling technologies and techniques, and realizing the recycling of overflow water, condensate, equipment cooling water and water in the process of beer production based on the comprehensive organization of the water system of the factory, so as to effectively improve the utilization efficiency of water resources.

Indicator Data

Use of Water Resources

Name of Indicator	Unit	2020	2021	2022	2023	Year-on-year variation in 2023
Water Consumption	1,000m^3	28,309	27,185	26,339	23,053	-12%
Water consumption per unit product of beer production	m^3/Kiloliter output	3.69	3.44	3.24	2.99	-8%

Action Case

Shenzhen Branch has set the reduction of water consumption as a breakthrough topic, set up a research team, and systematically identified water-saving opportunities through the division of sections and processes. The big project goal is decomposed step by step. Focused on optimizing the overall operation efficiency of the production system and oriented to improving the recycling rate of water, the recycled water classification, waterless floor throughout the factory and other measures have been adopted to reduce the water consumption per unit of product, and reach the benchmark value level of Guangdong Province beer industry. Shenzhen Branch has thus been rated as Water Conservation Benchmark Enterprise of Guangdong Province.

Action Case



Zaozhuang Branch has been awarded Conservation Benchmark Enterprise of Shandong Province. It has fully implemented the latest energy-saving method of "heat center", generating a condensate recovery rate exceeding 90%.

Drainage Management

The Company abides by the laws and regulations such as *The Environmental Protection Law of the People's Republic of China*, The Law of the People's Republic of China on Water Pollution Prevention and Control, and *The Pollutant Emission Standard for the Brewery Industry*. Two internal water pollutant management standards have established, namely, the Regulations on the Administration for Prevention and Control of Water Pollution and Regulations on the Administration for Pollutant On-line Monitoring Facilities.

Measures

The wastewater produced in the process of beer production is mainly treated with "anaerobic + aerobic" biological method with complete wastewater pollution prevention and control facilities, and the total wastewater outlet has been equipped with on-line monitoring facilities. During the reporting period, all the pollution prevention and control facilities were running normally, and qualified third-party units were commissioned to carry out monitoring on a regular basis, so that the wastewater was discharged stably in compliance with the standards. The Company will improve the water production rate of water treatment equipment through operation control optimization, reduce wastewater discharge, ensure the normal, efficient and operation of environmental protection facilities, and achieve stable and standard discharge of wastewater.

Indicator Data

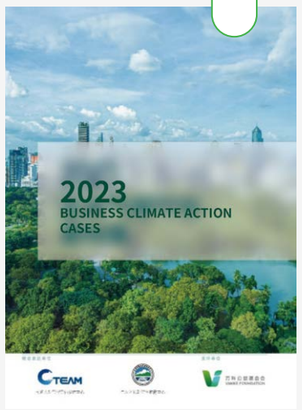
Reduction of Wastewater Pollutants

Type of Pollutant			Unit	2021	2022	2023	Year-on-year variation in 2023
Wastewater Discharge	Total industrial wastewater discharge	Ration	Ton	21,172,000	20,189,000	17,944,000	-11%
	Chemical oxygen demand	Ration	Ton	900	848	754	-11%
	Chemical oxygen demand discharge to natural water bodies	Ration	Ton	55	46	18	-61%
	Total ammonia nitrogen emissions	Ration	Ton	88.6	78.2	70.5	-10%
	Total ammonia nitrogen emissions discharge into natural water bodies	Ration	Ton	1.7	0.8	0.1	-88%

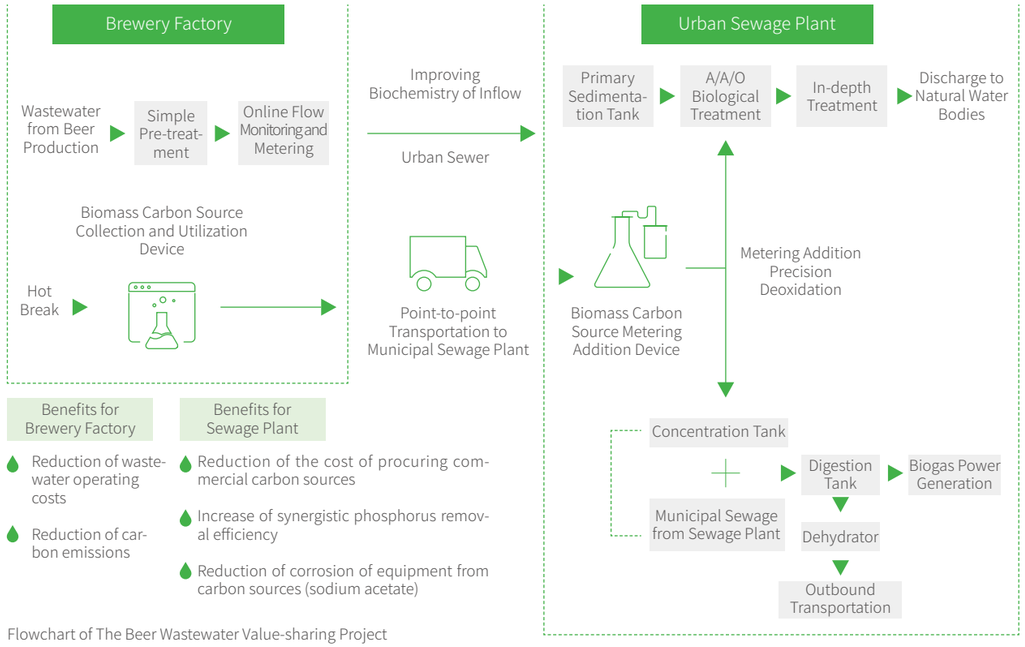
Note: Calculation of total environmental discharges in accordance with the requirements of Guidelines on Environmental, Social and Governance Reporting of the Stock Exchange of Hong Kong Limited

Selected as a Case at the United Nations Climate Change Conference

In accordance with the requirements of Article 4.2 of the Modification List to The Pollutant Emission Standard for the Brewery Industry (GB19821-2005), Tsingtao Brewery, actively promotes the signing of a wastewater value-sharing project between the Brewery Factory and the downstream wastewater treatment plant, whereby the beer wastewater is utilized as a biomass carbon source in the downstream wastewater treatment plant after simple pre-treatment. Through the implementation of Tsingtao Brewery's wastewater value-sharing project, the wastewater system process has been optimized and investment costs have been reduced. In 2023, 5 new factories signed up for the program, bringing the total number of contracted factories to 35. In 2023, the cost of wastewater treatment was saved by RMB 1.89 million, and the sludge was reduced by 6,667 tons, the electricity consumption decreased by 3.94 million kWh, and the carbon emissions cut by 3,280 tCO_2e.



The wastewater value-sharing project was included into "2023 Business Climate Action Cases" in the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), and "Key Technology of Pollution Reduction and Carbon Reduction and Resource Utilization of High Concentration Beer Wastewater and Municipal Sewage through Collaborative Treatment" was awarded the Second Prize of Qingdao Science and Technology Progress Award, the Third Prize of Science and Technology Progress Award of the China National Light Industry Council; The Company was invited to the 2023 Qingdao International Water Conference, and made a keynote speech on "Low Carbon Case of Beer Wastewater Resource Utilization".



Flowchart of The Beer Wastewater Value-sharing Project

Packaging and Waste

Tsingtao Brewery has always adhered to the 3R principles of the circular economy of "reduction, reuse and recycling", continued to strengthen the proper management of waste and packaging materials, comprehensively advanced emission reduction measures, actively explored recycling methods, and effectively promoted the green and sustainable corporate development.

Green and Recycled Packaging

Tsingtao Brewery is committed to creating sustainable packaging, comprehensively promoting the recycling of packaging, and continuously optimizing the packaging mix through innovation and improvement, so as to reduce the impact of packaging materials on the environment. We actively carry out plastic reduction activities, strictly regulate production processes involving plastic packaging, study and explore alternative materials and products to reduce the plastic content in packaging in all aspects, and promote the greening of packaging.

Indicator Data

Product Packaging Material Consumption Data

Material	Unit	2020	2021	2022	2023	Year-on-year variation in 2023
New beer bottles	Kiloton	1,140	1,212	1,171	1,380	18%
Used beer bottles	Kiloton	3,109	3,183	3,139	2,769	-12%
Ring-pull cans	Kiloton	70	75	83	73	-13%
Cartons	Kiloton	215	235	254	245	-3%
Plastic films	Kiloton	12.6	12.7	10.2	10.7	5%
Bottle caps	Kiloton	22.44	22.77	23.00	25.35	10%
Trademark	Kiloton	9.99	9.98	9.89	9.92	0%
Total packaging quantity	Kiloton	4,579	4,750	4,690	4,513	-4%
Packaging quantity per unit product of beer production	Kiloton/Kiloliter output	0.0006175	0.0006266	0.0005999	0.0006091	2%

Remarks: Due to the impact of the Company's beer output and variety structure, the total weight of some materials consumed has increased.

Broken glass collected for recycling

34,920 tons

Combined carbon emission reductions from packages in 2023

1,136 tons

Driving Carbon Reduction of the Value Chain

Glass Bottle Recycling

The Company attaches great importance to the recycling of glass bottles. In 2023, we continued to strengthen cooperation with glass bottle suppliers, optimized the glass bottle recycling process, and established a glass bottle recycling mechanism. The glass bottle suppliers can recover the broken glass generated while supplying glass bottles to the Company, forming the recycling and production of glass bottles. The Company's suppliers collected 34,920 tons of broken glass for recycling in 2023.

The Company promoted the return of empty boxes with bottles at some distributors on a pilot basis, and recycled beer bottles using beer cartons. This measure increased the beer bottle recycling rate while increasing the carton recycling rate. In 2023, the pilot project was advanced in Hebei Province, and 6.21 million cartons of empty bottles were returned, marking an increase of 469% compared with 1.09 million cartons returned in the same period last year.

Plastics and Carbon Reduction of Packaging Materials

The Company has worked with suppliers in innovative green research and development to reduce the use of packaging materials and environmental pollution: the crown cap is thinned, reducing carbon emissions by 3% compared with ordinary tinplate caps; the lightweight and easy-to-open cap is adopted, and each ton of aluminum can produce 20,000 easy-to-open caps more; the ring-pull can is thinned and the thickness of raw aluminum is adjusted from the current 0.265mm to 0.260mm. In the development of stretch wrap film, the thickness is adjusted from the current 0.024mm to 0.018mm, bringing about remarkable carbon reduction effects while the physical properties and strength indicators remain unchanged. In 2023, the combined carbon emissions of packaging materials were reduced by 1,136 tons and 283 tons of plastic films were saved.



Waste management

Tsingtao Brewery strictly complies with The Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste and *The Pollution Control Standard for Hazardous Waste Storage*, standardizes the collection, storage and disposal management of solid waste in daily production, and ensures a 100% compliance rate for the disposal of waste and a 100% compliance rate for the transfer of hazardous waste. We also attach importance to the recycling of waste, insisting that "there is no waste, but only misplaced resources in Tsingtao Brewery". We work to ensure that the comprehensive utilization rate of general industrial solid waste such as wine lees, waste yeast and broken glass reaches 100%.

Measures

Hazardous Waste Reduction Management

- Standardization and digital management of hazardous waste: relying on the local hazardous waste information construction requirements and progress, we implement pilot video monitoring, electronic labeling and information tracking system, and promote three digital hazardous waste management benchmark enterprises each year; a company-level hazardous waste standardization system has been gradually established.
- Hazardous waste reduction measures: source reduction: reducing the amount of used engine oil; end reuse: reducing the amount of chemical hazardous waste packaging generated, and striving for recycling and reuse by the original manufacturers.

Non-Hazardous Waste Reduction Management

- Establishing a company-level indicator evaluation system for waste-free factories, carry out self-evaluation of waste-free factories, and promoting the recycling of non-hazardous waste.
- Advancing measures to reduce sludge and waste diatomite, and continuously reducing the water content.

Results

The cumulative waste of comprehensive utilization in 2023 was 244,314 tons, marking an increase of 9.12% from 223,891 tons in 2022.

Cumulative waste of comprehensive utilization

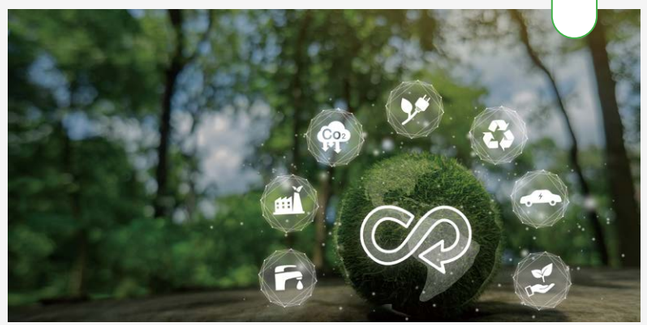
244,314 tons

Indicator Data

Total Waste and Density

Non-Hazardous Waste		Unit	2021	2022	2023	Year-on-year variation in 2023
Spent lees	Ration	Ton	132,139	137,689	127,484	-7%
Spent yeast	Ration	Ton	11,380	11,726	11,113	-5%
Waste glass bottles and ring-pull cans	Ration	Ton	71,472	53,529	36,982	-31%
Total non-hazardous waste	Ration	Ton	336,563	300,173	269,025	-10%
Density of non-hazardous waste	Ration	Ton/Kiloliter output	0.0444	0.0384	0.0363	-6%
Hazardous Waste		**Unit**	**2021**	**2022**	**2023**	**Year-on-year variation in 2023**
Total Hazardous Waste	Ration	Kg	105,609	111,064	110,724	-0.3%

Action Case



The amount of sludge produced in the process of beer wastewater treatment accounts for 13.7% of the total amount of all non-hazardous waste. Realizing the effective utilization of sludge, turning waste into treasure, and promoting the sustainable development of the environment has positive significance for promoting the development of enterprises, solving the problem of sludge treatment and reuse, and realizing a low-carbon economy. Sludge produces biogas in the highly efficient anaerobic fermentation system, which is used as a biomass fuel to produce steam and other clean energy. Biogas residue can be used for soil improvement, landscaping and landfill cover soil, so as to achieve the purpose of harmless disposal and recycling of sludge.

High-end, Intelligent and Green Development

The year 2023 marked the 120th anniversary of Tsingtao Brewery. With a series of high-quality landmark projects, we accelerated the replacement of old growth drivers with new ones, built a modernized industrial system, and cultivated new quality productivity. Focus on projects, strengthen industries, and promote transformation. Through new construction, relocation, expansion, and technological transformation, we accelerated the improvement of the quality and efficiency of traditional manufacturing industries, and boosted the transformation of high-end, intelligent, and green enterprises.

On April 7, 2023, Tsingtao Brewery's 1,000,000 Kiloliters/Year High-end Specialty Beer Production Base Project was launched in Laoshan, Qingdao. This "world-class high-end, intelligent and green production and cultural tourism experience base integrating the development of high-end specialty beer, whiskey production, fashion bar, cultural tourism and other forms of commercial activities" would accelerate the establishment of a modern industrial system in which strategic emerging industries lead and the digital transformation of traditional industries promote each other, and advanced manufacturing and modern service industries are deeply integrated, create a new consumption ecology for consumers with high-end specialty beer, scientific and technological intelligent exploration, and beer charm experience.



On May 16, Tsingtao Brewery held the completion ceremony of 1,200,000 Kiloliters/Year Beer Expansion Project and the commencement ceremony of 250,000 T/Year High-end Malt Raw Material Base Expansion Project in Tsingtao Brewery Intelligent Industrial Park. Tsingtao Brewery strengthens its role as a chain master, deepens its digital transformation, and builds the "intellectual highland" of the Intelligent Industrial Park. A digital system has been built; the original brewing operators scattered in the saccharification, fermentation and filtration sections can achieve one-click brewing via data integration. The intelligent equipment has been upgraded; with the collaboration of the palletizing robot and unmanned beer inspection machine, packaging workers change the traditional "stand-still" work mode to "mobile" inspection mode. In the new large unmanned stereoscopic warehouse, data-driven products can be shipped efficiently and accurately. Furthermore, green manufacturing innovation practices such as photovoltaic power generation, light bottle application, and plastics and carbon reduction have been systematically advanced. The commenced 250,000 T/Year High-end Malt Raw Material Base Expansion Project has important strategic significance for Tsingtao Brewery to further highlight the wheat fragrance feature, consolidate the quality foundation, shape the charm-perceived quality, and improve the differentiated competitive advantage of products. The extreme craftsmanship of malt and other raw materials builds the quality foundation for Tsingtao Brewery to brew beer with charm quality.



On June 8, Tsingtao Brewery held the launch ceremony of the 600,000 Kiloliters/Year (Phase I 300,000 Kiloliters/Year) Beer Relocation and Expansion Project of Lulansha Brewery Ltd. in Yiyuan, Zibo, Shandong Province. The project adopts the world's advanced automatic production scheduling system, production execution system, logistics storage system, equipped with rooftop photovoltaic power generation, heat balance center, heat pump and other advanced energy saving technologies. After the project is put into operation, its comprehensive energy consumption will reach the industry-leading level.



On October 19, the groundbreaking ceremony of Tsingtao Brewery No.2 Factory 1,000,000 Kiloliters/Year Draft Beer Production Base Project was held. The project is positioned to be built into "a high-end, intelligent, green, modern" draft beer production benchmark factory. Based on the original production capacity, it will be developed into an immersive experience venue integrating "draft beer manufacturing, industrial tourism and fashion bar". It is expected to be completed and put into production in 2025. Upon completion of the project, Tsingtao Brewery No.2 Factory will reach an annual production capacity of 1 million kiloliters, and become a higher level "flagship factory, core factory, draft beer factory and export base". Delivering fresh quality draft beer to all corners of the world, it will also become the world's largest draft beer production base.



Green Support Action

Tsingtao Brewery strictly abides by *The Regulations on the Administration of Environmental Protection in Construction Projects* and other laws and regulations, closely monitors and properly manages the impacts of the production process on the surrounding environment, and incorporates consideration of biodiversity and ecological protection into the entire life cycle of the factory construction projects. When selecting a new factory project site, we strictly abide by the requirements of the site selection clause of the *National Standard for Food Safety—General Hygienic Code for Food Production*, fully evaluate and investigate the water quality, ecological environment and community environment around the factory, and take the evaluation results as an important evaluation index for the site selection of the new factory. In the construction of supporting infrastructure for the new factory, we actively take environmental protection, pollution prevention, biodiversity protection and other measures to ensure that the impact on the surrounding environment is minimized.



In 2023, Tsingtao Brewery officially worked with the China Green Foundation, and launched the Tsingtao Brewery Yellow River Greening Ecological Protection Afforestation Project. We donated RMB 5 million in the first year for afforestation and related public welfare activities in key areas of the Yellow River Basin. On this basis, Tsingtao Brewery will also build ecological forest belts in key areas of the Yellow River to realize the functions of water conservation and soil conservation, so as to beautify the Mother River and contribute its power to the ecological protection and high-quality development of the Yellow River Basin.

Furthermore, Tsingtao Brewery will also call on its local and affiliated factories to carry out environmental protection activities for all employees, contributing to the protection and preservation of the earth's ecosystem. Through the organization of subordinate factories in tree planting on the Tree Planting Day, about 60 activities with the theme of "Green Devotion, Support and Planting" were unfolded, contributing greenness to the homeland. On the occasion of the June 5 Environmental Day, the Total Involvement Action in Plastics Reduction and Recycling was organized and about 120 tons of plastics were reduced. There were also characteristic activities on the June 5 Environment Day, such as water source protection, garbage classification, low-carbon walk, plastic reduction, food conservation, environmental protection knowledge competition and waste material handicraft production, comprehensively improving employees' environmental awareness. The Company also called on all factories to protect the rivers of the cities where they are located, organize activities such as cleaning up plastic waste along rivers, and releasing local fish. The factories were also called on to organize and carry out biodiversity protection activities such as mangrove protection and wildlife protection. Raise employees' awareness of environmental protection.

The Company also called on all factories to protect the rivers of the cities where they are located, organize activities such as cleaning up plastic waste along rivers, and releasing local fish. The factories were also called on to organize and carry out biodiversity protection activities such as mangrove protection and wildlife protection.

Carried out the Total Involvement Action in Plastics Reduction and Recycling and reduced plastics by

120tons



Chenzhou Branch launched environmental publicity campaign



Fuzhou Branch publicized environmental protection ideas during the theme activity of June 5 Environment Day



Xiamen Branch arranged for environmental protection volunteers to carry out activities related to the protection of water sources



The environmental protection volunteers of Baoji Branch carried out voluntary tree-planting and greening activity, planting more than 200 pine trees, practicing Green Planting, Support and Devotion with practical actions.



Sanshui Branch organized Mother River protection activity

03

Giving the Stage to the Endeavors and Applauding the Achievers

Tsingtao Brewery has always been adhering to the talent concept of "giving the stage to the endeavors and applauding the achievers", and helping every employee grow rapidly and create value in an environment of equality, respect and diversity. We attach great importance to the physical and mental health of our employees, fully protect their basic rights and interests, fully implement the employee care policy. We also give our employees happiness and care by creating a harmonious and developing working atmosphere, as well as delivering the high quality and happiness of Tsingtao Brewery to consumers around the world.

Occupational Health and Work Safety	54
Protection of Rights and Interests	56
Employee Growth	60
Employee Care	64



Occupational Health and Work Safety

Work Safety

Tsingtao Brewery strictly complies with the requirements of *The Law of the People's Republic of China on Work Safety, The Law of the People's Republic of China on Fire Prevention and Control, The Law of the People's Republic of China on Prevention and Control of Occupational Diseases, The Law of the People's Republic of China on the Safety of Special Equipment* and other laws and regulations as well as national standards. The Company has been certified by the DNV (Det Norske Veritas) ISO45001 system.

Based on the safety work policy of "all-round risk identification for a zero rate; full coverage of safety inspection with zero dead corners; full elimination of hidden hazards for zero tolerance", Tsingtao Brewery adheres to the people-oriented, safe development, carries out creative work in close combination with the actual safety production management, and ensures its high-quality development with a high level of safety. From 2021 to 2023, the number of lost working days due to injury was 162 days, 36 days and 49 days, respectively, achieving good annual performance, and beer factories all over the country have become a model of local safety management.

Measures and Results

Safety Goal Responsibility Decomposition Rate

100%

Safety related investment made in 2023 up to

RMB50million

A complete organizational structure

- The President of the Company serves as the director of the Safety Committee; a full-time safety production management department has been established; all subordinate business units have set up a safety committee, defined and implemented the total employee safety responsibility system; the Company's annual safety goals have been formulated and decomposed to each employee, achieving the safety goal responsibility decomposition rate of 100%, and realizing full coverage of the safety network.

Risk Management and Investigation

- Focusing on seven major categories of significant risks in the beer industry, the Company has identified four key management areas on an annual rolling basis, and safety related investment made in 2023 was up to RMB 50 million. The units carried out hidden hazard investigation and elimination according to the risk list, and "controlling risks and eliminating hidden hazards" has become the standard action of safety management.

Full-coverage Safety Inspections

- Standardized full-coverage safety inspections have become the norm, especially during major events such as national conferences and holidays; the Headquarters has increased the intensity and frequency of inspections, and the units have raised the level of management. Through various strong initiatives, all efforts have been made to maintain a stable production safety situation and create a good safety environment.

Safety Culture and Training Management

- The Company has formed a standardized three-level safety education system and organized various forms of safety education and training based on learning laws and regulations, safety management processes and systems. The combination of online and offline training has involved all employees, far exceeding the national standard requirement of 8 hours of training per capita throughout the year.

- With the theme of "controlling risks and eliminating hidden hazards, my own safety up to me", the safety culture activities have been carried out throughout the year; the various forms of safety culture activities, such as General Manager's Safety Class, the First Safety Lesson of Work and Production Resumption, and the Work Safety Inspection, have created a strong safety atmosphere and improved team safety skills and employee safety awareness.



Baoji Branch honored as the 2022 Shaanxi Province Demonstration Enterprise of Safety Culture Development as the only beer manufacturer in the province to receive this honor

- With the theme of "controlling risks and eliminating hidden hazards, my own safety up to me", the safety culture activities have been carried out throughout the year; the various forms of safety culture activities, such as General Manager's Safety Class, the First Safety Lesson of Work and Production Resumption, and the Work Safety Inspection, have created a strong safety atmosphere and improved team safety skills and employee safety awareness.



Harbin Branch honored as the Winning Unit of 2021-2022 Provincial Ankang Cup Competition

Occupational Health

The Company continuously improves its occupational health management system, promptly identifies and strictly implements the requirements of relevant national regulations, conducts regular working environment tests for the 27 identified occupational disease hazards. We organized occupational health check-ups for nearly 10,000 employees, updated employees' work uniforms and protective shoes in 2023, and invested approximately RMB 30 million in labor protection throughout the year, thus effectively safeguarding the occupational health of employees.



Yangzhou Branch focused on the ability of front-line managers, carrying out hands-on seminars on dual prevention system and risk-based identification and control to improve front-line safety management capability.

Protection of Rights and Interests

Equal Employment

Tsingtao Brewery strictly abides by *The Labor Law of the People's Republic of China, The Labor Contract Law of the People's Republic of China, The Employment Promotion Law of the People's Republic of China, The Law of the People's Republic of China on the Protection of Minors, The Social Insurance Law of the People's Republic of China, The Law of the People's Republic of China on the Protection of Women's Rights and Interests, The Trade Union Law of the People's Republic of China, The Regulations on Work-related Injury Insurance* and other national laws and regulations and local policies on labor and employment. By optimizing the Tsingtao Brewery Labor Contract Management System and improving the Regulations on Job Competition Management, we have fully protected the legitimate rights and interests of employees, improved the level of employment management, and built harmonious labor relations.

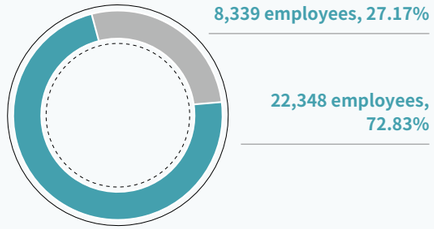
Measures and Results

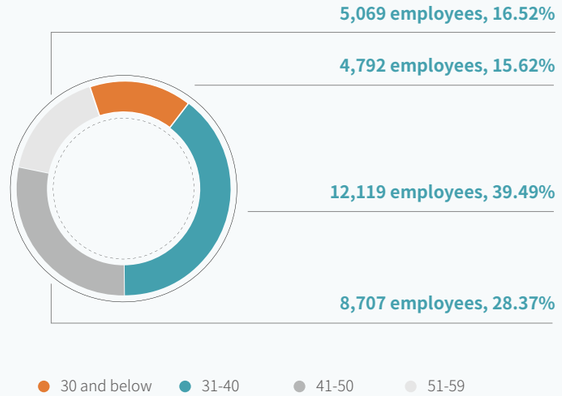
- The Company has established and improved the human resources management system, carried out employee management according to law, and guaranteed their legitimate rights and interests. Through the standardized recruitment management system, job competition management system and talent management system, and specialized training, the Company has ensured the institutional basis and standardized implementation of the recruitment and promotion of employees.
- The Company provides equal employment and development opportunities to the applicants without discrimination or differentiation in employment, promotion and remuneration due to gender, age, region, ethnicity, race, religious belief, disability or other factors.
- The Company's recruitment standards strictly enforce legal requirements prohibiting the employment of child labor and forced or compulsory labor, and no significant risk of child labor or the use of forced or compulsory labor was identified in any of its operations in 2023.

Indicator Data

30,687 employees at the end of 2023

Ratio by Gender





Statistics on Employee Separation Rate

Category	Ratio
Active Separation Rate	5.23%
Active Separation Rate by Gender	**Ratio**
Male	4.36%
Female	0.87%
Active Separation Rate by Age	**Ratio**
30 and below	3.09%
31-40	1.77%
41-50	0.30%
51 and above	0.07%

Compensation and Benefits

The Company strictly abides by *The Regulations on Paid Annual Leave for Employees, Measures for the Implementation of Paid Annual Leave for Enterprise Employees, Opinions of The State Council on Reforming the Wage Determination Mechanism of State-owned Enterprises* and other relevant national and provincial regulations. Our employees enjoy paid leave, maternity leave, sick leave, regular physical examination, health training and other rights and interests.

In 2023, the Company continued to optimize its performance appraisal and incentive mechanism guided by the concept of goal-oriented resource allocation, competency-oriented talent selection and employment, and performance-oriented incentivizing and restraining. Efforts have been made to consolidate hard indicators, strengthen incentives, intensifying constraints, focus on implementation and value efficiency, so as to fully demonstrate the value of the post contribution. By improving the linkage between compensation and business performance, we have continuously improved the income level of employees and help the Company achieve high-quality development.

Measures and Results

- Tsingtao Brewery fulfills the labor contract and pays social insurance and housing fund for its employees according to law. In 2023, the Company's employee labor contract signing rate was 100% and the employee social insurance participation rate was 100%.
- The Company always puts the employees first, takes what employees want into consideration, gives them what they need, and is committed to improving employee satisfaction. The Company has provided employees with a comprehensive compensation and benefits system, improved the long-term incentive mechanism, and launched the enterprise annuity plan to enhance the cohesion and attractiveness of the enterprise and promote the common development with the employees.
- In 2023, the Company instructed all units to implement paternity leave, parental leave and nursing leave to effectively protect the rights and interests of employees; the retention rate of employees returning to work after parental leave was 100%. Meanwhile, the Company protected the legitimate rights and interests of female employees, such as labor right, development right and education right, offered precise care for employees, and effectively improved the quality of life of employees.
- In 2023, Tsingtao Brewery's Employee Happiness Index increased to 95%, marking another record high, and a continued improvement of employees' sense of corporate well-being.

Employee labor contract signing rate	Employee social insurance participation rate	Employee Happiness Index
100%	100%	95%

Won Several Employer of the Year Awards

Tsingtao Brewery insists on advancing with the times, optimizing the development of corporate talent, creating an excellent employer brand image and gaining recognition from all walks of life, winning a series of employer brand awards!

- Forbes China—2023 China's Most Digitally Responsible Employer of the Year
- 2023 Excellent Employer
- 2023 China 100 Model Employers & HR Management Team Model
- 2023 China's Most Attractive Employer
- Favorite Employer of Chinese College Students
- Most Influential Employer
- Shandong Extraordinary Employer of the Year
- Qingdao Employment Contribution Role Model Employer

Employee Rights and Benefits

On May 31, 2023, the Third Meeting of the Sixth Employee Congress and the Third Meeting of the Sixth Trade Union Members' Congress of Tsingtao Brewery were held successively. At the Third Meeting of the Sixth Employee Congress, the representatives listened to and reviewed the Company's "2023 Measures for the Administration of Employee Salary Budget and Assessment" and "On the Amendment to the Collective Contract", Report on "Specialized Collective Contract for Special Protection of Female Employees", Report on "Specialized Collective Contract for Labor Safety and Health", "Tsingtao Brewery Work Report on the Employee Representatives' Proposal at the Second Meeting of the Sixth Employee Congress", "Self-evaluation Report of Enterprises with Harmonious Labor Relations". At the meeting, all the representatives put forward many constructive comments and suggestions regarding the Company's production and operations, management improvement, innovation and development, employee needs, employee care and other aspects, and adopted the reports by voting. At the Fourth Meeting of the Sixth Employee Congress held in November 2023, 242 employee representatives discussed the Company's enterprise annuity-related programs and major events, and shared the dividends of corporate development. The meeting deliberated and passed the Enterprise Annuity Program of Tsingtao Brewery Group Co., Ltd., effectively enhancing the sense of well-being, sense of acquisition and sense of belonging of the employees.

In 2023, Tsingtao Brewery passed

the Enterprise Annuity Program



The Fourth Meeting of the Sixth Employee Congress of Tsingtao Brewery Held

Employee Growth

Employee Training

Tsingtao Brewery utilizes the advantages of a broad platform and resources to set up a growth stage for its employees through building mechanisms, creating an environment and promoting growth. In 2023, the training coverage rate of employees was 100%, with each person completing 51.1 hours of learning.

An employee training coverage rate up to

100%

Per capita training hours

up to 51.1



Measures and Results

● Digital Talent Empowerment

We have accelerated the implementation of digitalization led ability reshaping, rebuilding digital ability of digital backbones through practical research training of 25 topics . Throughout the year, 91,657 person-times completed the digital courses with a total of 98,422 hours and 33,597 digital badges were issued.



The consensus workshop on the general model of digital competence launched



The Gold ★ e class digital general ability enhancement training program launched

Increase in proportion of multi-skilled workers with more than 3 posts

23%

Number of provincial skill competitions attended

6

Number of First Prizes won

5

Number of business unit competitions

89

New National Skill Honors

3

Provincial	Municipal and Above
16	52

Excellent Practical Research Projects organized

109

● Skilled Talent Team Development

We continuously promote the optimization of the skilled talent structure, with a 23% increase in the proportion of multi-skilled workers with more than 3 posts. With the establishment of the intelligent competition system, the three-dimensional skill competition network is playing an increasingly important role. In 2023, we attended 6 provincial skill competitions and won 5 First Prizes, organized two municipal skill competitions (Wine Tasting Competition and Sommelier Competition), and 89 business unit competitions. Cumulatively, we won 3 new National Skill Honors, 16 new Provincial Skill Honors and 52 new Municipal and Above Skill Honors.



The Wine Tasting Competition and Sommelier Competition were held sucessively for training and selection at various levels, and improvement of integrated service capability of employees.

● Practical Research Tree Benchmark

We work to improve and enrich the distinctive practical research mode of Tsingtao Brewery and enhance the practical research ability of business backbones. A total of 109 excellent practical research projects were organized in 2023.



Practical Research Mentor Workshop Held

In 2023, we continuously organized charm quality training with a coverage rate of 80%; courses such as "Knowledge of Beer" and "Knowledge of Marketing Safety Management" were offered; 100% of new business representatives and management trainees took these courses.



Management Trainees' Training Camp

Indicator Data

Career development and training	Total number of employees trained		30,687
Average number of hours of career development training	Average hours of training per employee		51.1 hours
	Hours per trainee by rank	Senior management	44.85 hours
		Middle management	83.00 hours
		Ordinary employees	49.59 hours

2023 Tsingtao Brewery 120-year Ingenuity Culture Festival & Ingenuity Dream and Skill Development Theme Event

- Tsingtao Brewery simultaneously launched the 2023 Tsingtao Brewery 120-year Ingenuity Culture Festival & Ingenuity Dream and Skill Development Theme Event during the 45th Quality Improvement Day Conference. The skilled talents supporting quality development were commended and skill experts were employed, and the Master Apprenticeship Contract-signing Ceremony was also held, providing inexhaustible power for building a quality strong enterprise.



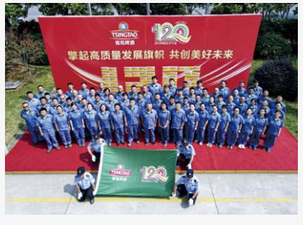
Master Apprenticeship Contract-signing Ceremony

All Employees Held the Banner of High Quality Development to Create a Beautiful Future Together

- In 2023, the Company organized the Employee Commemorative Flag Passing Event themed with Holding the Banner of High Quality Development to Create a Beautiful Future Together in celebration of its 120th anniversary of founding. Employees across the country and around the world were invited to join the event. Setting out from the place of origin Tsingtao Brewery Factory, employees walked along the Development Path of Tsingtao Brewery and passed the flag, inspiring the passion for struggle, promoting the culture of Tsingtao Brewery, and gathering the strength of Tsingtao Brewery.









Employee Care

Tsingtao Brewery provides precise care to constantly improve the sense of gain and well-being of employees. In order to accurately target the common needs of the employees, the employees' "demand portrait" has been developed through the information obtained from the Employee Happiness Index; the employees' worries, concerns, difficulties and hopes have been quickly captured from the individualized demands; the needs of employees have been solved from such aspects as health care, difficulty care, life care and work care.

Warming the Hearts of Employees by Supporting the Employees in Difficulties

Support to employees in difficulties has been regular, timely and accurate. The support mechanism for employees in difficulties has been improved. Support to employees in difficulties, special handling of urgent matters and Tsingtao Brewery Care Foundation have formed a well-layered and focused gradient support system. These multiple measures guarantee timely and effective employee support. In 2023, the Care Foundation supported 17 employees suffering from major diseases from 13 units with the cumulative expenditure of RMB 651,000, solving the urgent need of employees and tiding over the difficult times with them.



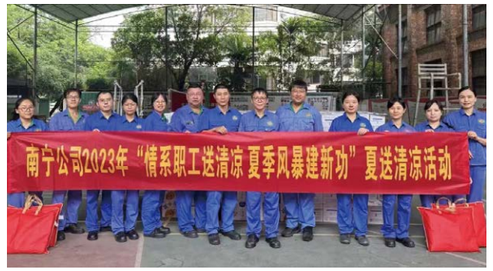
Donation Organized by the Care Foundation

Results-focused Inclusive Care

Tsingtao Brewery actively carries out employee care activities such as the Spring Festival Celebration, Cool Summer, Educational Aid and Warm Winter. These inclusive care activities provide employees with all-round practical protection. In 2023, on the basis of inclusive care, the employee groups that made outstanding contributions in major projects and key projects were highlighted, and the differences in regional positions were emphasized; and the employees in difficulties, working in the marketing frontline, and rated as model workers were prioritized, improving the accuracy and effectiveness of service employees.



Lantern Festival Celebration, Spring Couplets Appreciation and Lantern Riddles Guessing



Cool Summer



Vibrant Cultural Life of Employees



Educational Aid

Featured Care Events

The Employee Benefit Program has been advanced from the three dimensions of health benefit, cultural benefit and living benefit. In 2023, we held the theme activity of "Go back Home" for marketing employees, organized medical consultation, traditional Chinese medicine pulse feeling and other health activities for employees; the Company also continued the retirement with honors event themed with "loyalty to the Party, retirement with honors, eternal spirit of Tsingtao Brewery, the paid examination support leave and 2023 Fun Summer Program for children of employees. These efforts were to enhance the sense of security, well-being and belonging of employees.



Employee Retirement with Honors Ceremony



Health hut for staff free clinic



Fun Summer Program for Children of Employees

04

Creating Social Value Together

Tsingtao Brewery joins hands with the upstream and downstream players of the value chain to engage in industry cooperation in an innovative way, jointly addresses emerging challenges and continues to build a sustainable and responsible value chain. We take concrete actions to fulfill our social responsibilities, focus on rural revitalization, ecological protection of the Yellow River Basin, disaster relief, poverty alleviation, educational aid and other public welfare programs, and strive to build a harmonious and beautiful society with concrete actions.

Our Value Chain 68

Care for the Community 72



Our Value Chain

Tsingtao Brewery requires its value chain partners to comply with its policies on responsible procurement, environmental protection, business ethics and compliance, and standardized recruitment and management of employees, and conducts ESG sustainability risk assessment and related communication training for newly established partners. We work with our value chain partners to contribute to a greener environment. Every year, the contract terms and service agreements signed with existing partners are reviewed, and those partners acting in violation of the Company's development philosophy are screened and eliminated.

1,674
Number of Suppliers to Work with

Responsible Procurement

Tsingtao Brewery strictly abides by the relevant laws and regulations of the People's Republic of China, such as *The Food Safety Law of the People's Republic of China, The National Standard for Food Safety—Standard for the Use of Food Additives*, and *The Hygiene Licensing Provisions for Disinfection Product Manufacturers.* Meanwhile, the Company has formulated and implemented internal management systems such as Procurement Management Manual, Procedure for Tendering and Bidding Management in Material Procurement, and Tsingtao Brewery Procedure for Supplier Introduction, Cooperation and Exit Management, and Code of Procurement Ethics. The suppliers are required to sign the Letter of Commitment on Incorruption to ensure observance of the agreed Code of Business Ethnics.

Supplier Evaluation

In 2023, the Company incorporated 1,674 suppliers from China, Germany, Canada, France, Argentina, the Czech Republic, the United States and other countries.

Measures

Establishing a Supplier Classification Management System

The Company has established a supplier classification management system according to the framework of the supplier management system, and adjusts the classification every year based on the supplier's business qualification, product quality, supply quantity, technical ability, management system, sustainable management system and other aspects.

The company has established a supplier file management mechanism associated with contract signing. For all production materials, the List of Supplier Certificates is prepared according to the regulations and updated regularly, and all documents and third-party testing reports are requested according to the list; materials in contact with beer are sourced from the dynamic catalogue of qualified suppliers, and are subject to regular sampling and sent to the designated third-party for testing. Suppliers providing materials non-conforming to the requirements will be disqualified from cooperation. During the reporting period, we introduced 22 new suppliers and eliminated 17 suppliers for production materials.

Driving the Suppliers to Practice ESG Idea together

The Company regularly inspects and reviews new suppliers and existing suppliers in the process of cooperation, and the new suppliers that pass the review will be introduced. We provide management output to cooperative suppliers through inspection, and promote the joint improvement of suppliers.

The Company values the performance of its suppliers in terms of quality, safety, environmental protection and social responsibility, and certifies them. The supplier ESG risk assessment is taken into consideration at all points. Suppliers are required to operate in compliance with all national, provincial and municipal regulations. In sourcing new suppliers and auditing existing suppliers, ISO9001 certification, ISO14001 certification, and ISO22000 certification are included in the scope of supplier certification.

We check the suppliers' qualification certificate, financial conditions and credit rating, supply ability, environmental protection efforts, occupational health, employment relationship, supplier quality management, production technology, equipment configuration and food safety management. Furthermore, the corresponding risks of the suppliers are identified regularly through the network platform.

In 2023, we audited 143 suppliers on site and found them compliant with the requirements. The Company implements annual and on-site audits to comprehensively evaluate its cooperative suppliers each year, and all of its partner suppliers met the eligibility criteria in 2023.

Enhancing Communication with Suppliers

We hold supplier meetings by category from time to time every year, and export the development plans, management concepts and requirements of Tsingtao Brewery to suppliers through visits, exchanges and audits, so as to improve their ability to fulfill social responsibilities and realize sustainable development, and train suppliers for common development with us

New Suppliers Introduced
22

Suppliers Eliminated
17



Cooperation and Common Development

Measures and Results

Continuously Advancing the Strategy of Multi-producing Areas for Raw Materials

- We pay close attention to the changes in production conditions in major barley producing areas, judge the market situation and make timely purchases, and at the same time, expand the purchases of barley from new producing areas.
- The directory management of barley varieties is implemented in major producing areas, and new varieties with a certain planting area are tested, tracked, used and evaluated every year according to the changes of barley varieties in major producing areas.

Continued Support for Indigenous Material Development

- The Company is actively exploring cooperation with suppliers, constructing Tsingtao Flower and Fragrant Flower Planting Bases, and conducting cooperation in purification and optimization research of varieties; long-term contracts are signed to encourage planting, and high price for high quality is implemented to improve the quality and enhance the profitability of partners and growers.
- We also support indigenous barley cultivation, maintain a certain amount of indigenous malt procurement to ensure the production of domestic malt suppliers.

Funds Financed to Upstream Beer Suppliers

RMB 139 million

Financial Support for a Win-win Situation

In 2023, the upstream suppliers were strapped for funds, and the Company provided RMB 139 million for upstream beer bottle suppliers to support their purchase of raw materials and sustainable production, and create a win-win situation.

Multidimensional Cooperation for Common Development

Together with the suppliers, we actively study the application and promotion of new materials, new technologies and new processes, such as the cancellation of cardboards in carton products, plastic film thinning, the application of domestic pellets in bottle caps, and the thinning of ring-pull cans/caps. These efforts have not only reduced the procurement cost, but also cut the use of raw materials and realized green and sustainable development.

Building a Digital Management Platform for SMEs for Distributors

In 2023, the Company accelerated the digital transformation of the supply chain and profoundly drove the digital transformation of distributors through channel digitalization. The "Mazhilian" Project of one bottle, one code covered all products, effectively building a bridge of direct communication with consumers, and enhancing the self-operation, self-management capabilities of distributors. As the primary chain enterprise, the Company built the Qingyingxiao digital platform. The portal order placing and application of Qingyingxiao improved the management efficiency of distributors' purchase, sales and inventory, and enabled distributors to manage their business more finely through the data display of business.

Tsingtao Brewery has effectively driven the win-win development of partners, allowing distributors to use the platform to embrace digitalization, achieve digital connections with more than one million sales outlets, and jointly provide consumers with efficient and convenient services. Next Tsingtao Brewery will continue to expand the scope of digital applications and scenarios, and promote the in-depth integration of digital economy and real economy.

Innovative Change for Win-Win Development

Channel Model Transformation (TM) Project

Tsingtao Brewery's model transformation came to fruition in 2023. Promoting channel model transformation according to local conditions has resulted in comprehensive improvement of sales volume, structure, market share and profitability of some regional distributors.

- Efficiency improvement: advancing regions, an increase of 22% over 2022; advancing distributors, an increase of 59% over 2022; advancing regional sales per capita, an increase of 10% over the same period.
- Sales Improvement: Advancing distributors, Classic and above sales increased by 8.2% over the same period.
- Continued strength: direct supply rate increased by 5% over the same period; direct supply rate of AB increased by 5% over the same period.

Development through Consultation

- About 100 core distributors were invited to attend the Company's 120th Anniversary of Founding & Accelerated High Quality Development Conference themed with "Thank You For Companionship over the Past 120 Years and Create a Beautiful Future Together", so as to strengthen communication and exchange.
- The Company also held the 2023 Tsingtao Brewery Golden Eagle (Expansion) Conference, and members of Tsingtao Brewery Golden Eagle Club and representatives of Excellent Distributors discussed collaborative development plan together.

Care for the Community

Tsingtao Brewery has always been showing care and giving back to the community with practical actions, and continuously committed to the common development with public welfare undertakings. The employee volunteer team has been built, encouraging and organizing employees to actively participate in public welfare undertakings, and continuing to enhance the well-being of people. In 2023, the Company invested 5.12 million in donations and public welfare undertakings, and RMB 689,000 in consolidating the results of poverty eradication and rural revitalization.

Rural Revitalization

Tsingtao Brewery regards supporting the development of rural revitalization as an important corporate social responsibility. Relying on its advantages, Tsingtao Brewery carries out research according to local conditions, explores new paths of rural revitalization and development, builds the "new engine" of industrial support and cultural and tourism fusion, and helps realize rural industrial prosperity, cultural prosperity, economic development. Good results have been achieved.

Action Case

Support Paired Villages

In 2023, Xi'an Branch allocated fixed-point support funds in combination with the actual needs of paired villages to complete road beautification and retaining wall project, festival giveaways, village-enterprise joint construction, Learning Lei Feng, Party construction and other projects in Beiyan Village; Chenzhou Branch donated special funds to support the Provincial Demonstration Village of Rural Revitalization—Gaopai Village, Tangdong Sub-district, Zixing, and the funds were used for farm sweet orange planting, Camellia forest base construction, and village infrastructure construction projects; in response to the proposal of the Organization Department of the Yushan District Committee of Maanshan City, Maanshan Branch made a targeted donation to the Yushan District Party Member Care Fund through Maanshan Charity Federation to help needy Party members in Yushan District solve their practical difficulties; Sanhuan Branch actively responded to the call of the Economic and Information Bureau of Miyun District, Beijing, and donated support funds to the East China and West China cooperation entity of Miyun District—Inner Mongolia Tongliao Kulun Banner, for the cultivation of small and medium-sized enterprises in Tongliao, so as to enhance the industry and drive income increase of farmers.





Xi'an Branch Unfolded Rural Revitalization Activities



Tsingtao Brewery was awarded the "2022 Benchmark Enterprise of Rural Tourism Revitalization", and the "Xianju Laoshan" B&B Project, a representative project of Tsingtao Brewery's support for rural revitalization, was awarded the "2022 Rural Revitalization Benchmark Project".

Action Case

Beer Festival Boosted Economic Development

In 2023, Tsingtao Brewery hosted Dingxi Tsingtao Beer Festival, carried out Tsingtao Brewery and Ganwei Brand Promotion, broadened the tourism market in the two places. Based on the tourism brands of the two places, the characteristics of Longnan and Dingxi products were introduced, the charm of Longnan and Dingxi was promoted from multiple levels and multiple perspectives, so as to improve visibility, expand external influence, and help the cultural tourism communication and high-quality economic and social development of the two places.





2023 Dingxi Tsingtao Beer Festival, Tsingtao Brewery and Ganwei Brand Promotion

Passion for Public Welfare Undertakings

Donation to Qingdao Disabled People's Welfare Foundation in 2023 up to

RMB100,000

Cumulative donation to the physically challenged as of 2023 up to

RMB2.36million

Tsingtao Brewery is concerned about the disadvantaged and education, passionate about public welfare, and devoted to care and warmth.

- In 2023, Tsingtao Brewery shouldered the social responsibility of helping the weak and the needy as always and continued to donate RMB 100,000 to Qingdao Disabled People's Welfare Foundation out of concern to the cause of the physically disadvantaged . Since 2004, a total of RMB 2.36 million has been donated to the physically disadvantaged.
- In June 2023, Tsingtao Brewery successfully completed the funding for the 10th year for Tsingtao Brewery Beichuan Children's Dreams Foundation Program themed with "Ten Years of Growing Together". The Company has further set up the Tsingtao Brewery Scholarship and Grants to support 10 students hit by earthquake, born into financially-stricken families, and excellent in character and academic performance for dream realization, and to reward outstanding teachers of Tsingtao Brewery Qishan Primary School. Among the 10 students supported, 5 of them have been admitted to colleges, and 1 has graduated from college and started to work.
- The Tsingtao Brewery Scholarship has been set up to reward outstanding students, help financially-stricken students, provide employment training and experience related social practice for students. As of 2023, the Company had made cumulatively helped 1,968 students with a donation of RMB 5.9 million. In 2023, the Company donated RMB 300,000 and rewarded 80 students. This program is one of the longest specialized funds with the greatest number of recipients of Qingdao Education Development Foundation.

Number of students helped as of 2023	Amount of donation
1,968	RMB5.9million



Qingdao University—Tsingtao Brewery Scholarship Awarding

- An active participant in consumer support activities, the Company purchased "Gansu Longnan Olive Oil" products and distribute them to employees to further fulfill its social responsibility as a state-owned enterprise.
- At the 15th anniversary public welfare ceremony of Qingdao Red Cross Weichen Foundation held in January 2024, Qingdao Red Cross Weichen Foundation awarded the medal of "Weichen Public Welfare Partner Unit" to Tsingtao Brewery to extend thanks for its strong support in public welfare projects and activities, volunteer services and other work.



Tsingtao Brewery honored with "Weichen Public Welfare Partner Unit"

Kunshan Branch, Zhuhai Branch, Harbin Branch, Jinan Branch, Tsingtao Brewery No.5 Factory, Rizhao Branch, Maanshan Branch, Tsingtao Brewery No.3 Factory, Tsingtao Brewery No.4 Factory and Suqian Branch actively encouraged the employees to make a voluntary blood donation, so as to show their care and protect the health of people; Lianyungang Branch actively participated in the publicity activities of rights protection and law popularization, distributed publicity brochures, and guided consumers' attention to product quality and food safety; Lulansha Branch and urban communities jointly held public welfare activities, serving the residents around the communities and providing precise and fine services to the people's livelihood...



Party Member Representatives of Jieyang Branch Participated in Voluntary Blood Donation

Proposing Rational Drinking and Creating Happiness in Life

Tsingtao Brewery has always been an advocate and practitioner of the social responsibility of rational drinking, proposing rational drinking and creating happiness in life. Our products are labeled with "excessive drinking, harmful to health"; we promote the public welfare slogan of "no drunk driving" and carry out a series of publicity activities to spread rational drinking knowledge; there is an age access prompt on the official website portal...All these efforts are intended to guide the rational drinking of consumers and prevent underage drinking.

Measures

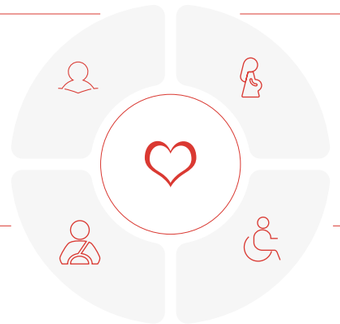
Key Care Groups of Tsingtao Brewery

Minors

- We prohibit the sale of products to the minors and educate the minors about the prohibition against alcoholic drinks.

Pregnant and Lying-in Women

- We suggest pregnant and Lying-in Women not to drink during pregnancy and breastfeeding.



Drivers

- We strictly prohibit drunk driving and riding with a drunk driver, and carry out campaigns to promote "no drunk driving".

Patients

- We advocate that patients should refrain from drinking alcohol during medical treatment.

As the rotating chairman unit of the Social Responsibility Committee of the China Alcoholic Drinks Industry Association, Tsingtao Brewery has carried out rational drinking publicity activities for 9 consecutive years, actively practiced the social responsibility of rational drinking, and helped build a rational and civilized alcohol consumption environment in China. In the future, Tsingtao Brewery will continue to guide and cultivate the consumers' moderate, proportionate and healthy drinking attitude, and add color to the good life.



Rational Drinking Publicity at Tsingtao Brewery Museum



Yulin Branch and the Market Supervision Bureau set up a publicity point to explain the beer alcohol content of different products to consumers and advocate rational drinking

(Selected) Honors of Tsingtao Brewery 2023

★ Included into the List of Pilot State-owned Enterprises of Digital Transformation of the State-owned Assets Supervision and Administration Commission of the State Council

★ Included into 2023 ESG Vanguard 100 Index of Listed State-owned Enterprises of State-owned Assets Supervision and Administration Commission of the State Council

★ 20 factories have been selected as National Green Factory by the Ministry of Industry and Information Technology, ranking first in the industry.

★ Rated Inauguration Unit and Excellent Scenario of 2023 Intelligent Manufacturing Demonstration Factory of the Ministry of Industry and Information Technology

★ Rated as China Industrial Carbon Peaking Leader

★ Honored with the 2022 Second Prize and Third Prize of Science and Technology Invention Award of the China National Light Industry Council

★ Honored with National Demonstration Enterprise of Product and Service Quality Integrity, National Advanced Enterprise of Quality Integrity, National Conforming Product of Stable Quality Inspection, and National Consumer Quality and Reputation Guarantee Product by the China Association for Quality Inspection

★ Selected into the Candidate List of Striving to be World-class Enterprises of the Shandong Provincial State-owned Assets Supervision and Administration Commission

★ Selected into the First Batch of Candidate Pilot Manufacturing Enterprises of Shandong Province and Top Ten Excellent Cases of Technological Transformation of Shandong Province by the Department of Industry and Information Technology of Shandong Province

★ Rated as one of the First Batch of Standardized Innovation Enterprises of Shandong Province by the Shandong Administration for Market Regulation

★ Honored with the First Prize and Second Prize of the Light Industry Enterprise Management Modernization Innovation Achievement by the China Light Industry Enterprise Management Association

★ Included into the 2023 Corporate ESG Outstanding Corporate Governance Practice Cases of the China Enterprise Reform and Development Society

★ Honored with the First Prize and Second Prize of Qingdao Science and Technology Progress Award; Second Prize of Science and Technology Invention Award

★ Selected into the Business Climate Action Cases at the United Nations Climate Change Conference as the only case in the liquor industry

★ IPA honored with Gold Award at the Brussels Beer Challenge; Yishichuanqi and Pilsner honored with Gold Award at the Asia Beer Championship

Third-party Evaluation

Evaluation of the Report

In 2023, China's beer industry continued its transformation and adjustment, undergoing profound changes. High-quality development, capacity optimization, quality upgrading, scientific and technological innovation and cultural leadership became the main development propositions of industrial development. During the year, the beer industry actively rose up to a variety of difficulties and challenges, took the initiative to seek changes, and continued to digest and improve the problems of unbalanced industrial development, redistribution of production capacity, contradiction between supply and demand in the market, shortage of skilled personnel, and variable consumer demand. From the perspective of industrial performance, it can be said that the beer industry ushered in the spring of development after years of accumulation.

The Environmental, Social and Governance Report 2023 of Tsingtao Brewery Co., Ltd. provides a detailed account of Tsingtao Brewery's industry-based efforts, its insistence on sustainable development and innovative management, its achievements in moving from single manufacturing to the convergence of new industries and scenarios, as well as the notable results of its intelligent and digital transformation. Tsingtao Brewery continues to pay attention to the "basic needs" and "changing needs" of consumers, and constantly explores the "potential needs". While adhering to the food safety management concept of "building the safety dam on the tip of the tongue", Tsingtao Brewery has established the management model of "Charm-perceived Quality Based on Digital End-to-End Decoding", and the standardized quality management system and model, bringing happiness and good beer to consumers.

In practicing social responsibility, Tsingtao Brewery unswervingly takes environmental protection, low-carbon management and circular economy as its development strategy, closely unites consumers, the environment, shareholders, employees, business partners, communities, NGOs, governmental organizations and other stakeholders. While clarifying its responsibilities and defining the core issues of ESG, the Company reinforces the developmental undertone with its responsibility, and continually strengthens its commitment to lead the creation of value. These efforts have helped Tsingtao Brewery achieved a number of excellent cases in the industry.

Suggestions for the Report

This year marks the 75th anniversary of the founding of New China. It's a key year for realizing the goals and tasks of the "14th Five-Year Plan", and the beer industry needs to "keep pace with the times for common development". This is a mature performance of the high-quality development of the beer industry, an important means for industrial energy accumulation and sustainable development under the challenges of complex and changing economic environment and reshaping consumption logic, and also a key way to solve the contradictions and problems of long-term development of the industry and make up for the shortcomings.

Adhering to Innovation and Development, Building New Quality Productivity

As stated in the 2024 Government Work Report , "We shall vigorously promote the establishment of a modernized industrial system and accelerate the development of new quality productivity. We shall also give full play to the leading role of innovation, promote industrial innovation with scientific and technological innovation, accelerate the promotion of new industrialization, increase total factor productivity, continuously shape new drivers and new advantages for development, and promote a new leap in social productivity".

New quality productivity is characteristic of high technology, high efficiency and high quality. It is an inherent requirement and an important focus to promote the high-quality development of China's economy, and it constantly empowers industrial manufacturing with digital intelligence technology, Internet technology, and big data platforms. In this regard, Tsingtao Brewery's development idea of sticking to integrity and innovation has proved to be very correct. Tsingtao Brewery should be not only an inheritor of traditional processes, but also an explorer of new technologies and new processes. Tsingtao Brewery must always brew beer with a scientific and rigorous attitude, and provide beautiful products to consumers with advanced management concepts and intelligent manufacturing strength.

Be an Advocate for Practicing Social Responsibility

Practicing social responsibility is an important factor in sustainable corporate development. The long-term development of the beer industry cannot be separated from the coordinated development of outstanding enterprises with the characteristics of "patriotism, innovation, integrity, social responsibility and international vision". Continuously practicing social responsibility for many years, Tsingtao Brewery has made significant contributions to environmental governance, corporate management, participation in social governance, and played a leading and exemplary role for the beer industry's overall commitment to social responsibility. It is hoped that Tsingtao Brewery can actively broaden the idea of practicing social responsibility, improve the level of services and management, and lead the industry to a brilliant future on the path of sustainable development with practical work and high-quality development.

Beer Branch of China Alcoholic Drinks Industry Association

Liquor and Social Responsibility Promotion Committee of China Alcoholic Drinks Industry Association

Index of ESG Indicators

Scope, dimensions, general disclosure and key performance indicators		Location in the Report
The Statement issued by the Board of Directors contains the following: 1. Disclosure of the oversight of environmental, social and governance matters by the Board of Directors; 2. The environmental, social and governance management policy and strategy of the Board of Directors, including the process for assessing, prioritizing and managing significant environmental, social and governance-related issues, including risks to the issuer's business; and 3. How the Board of Directors reviews progress against environmental, social and governance related objectives and explains how they relate to the issuer's business.		P9-P11
Describe or explain how reporting principles (materiality, quantification, consistency) are applied in the preparation of environmental, social and governance reports.		Inside Front Cover, P11
Explanation of the scope of the Environmental, Social and Governance Report and description of the process for selecting which entities or operations to include in the Environmental, Social and Governance Report. If there is a change in the scope of reporting, the issuer should explain the difference and the reasons for the change.		Inside Front Cover
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P29-P46
A1.1	The types of emissions and respective emissions data.	P35, P42, P47
A1.2	Total greenhouse gas emissions (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility).	P31
A1.3	Total amount of hazardous waste generated (in tonnes) and, if applicable, density (e.g., per production unit, per facility).	P47
A1.4	Total amount of non-hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility).	P47
A1.5	Description of the emission target(s) set and the steps taken to achieve them.	P28-P47
A1.6	Description of methods of handling hazardous and non-hazardous waste, and description of the waste reduction target(s) set and the steps taken to achieve them.	P46
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	P32
A2.1	Total direct and/or indirect energy (e.g., electricity, gas, or oil) consumption (in 1,000 kWh) and intensity (e.g., per production unit, per facility) by type.	P33
A2.2	Total water consumption and density (e.g., per production unit, per facility).	P41
A2.3	Description of the energy efficiency program and the results obtained, and description of energy efficiency goals and the steps taken to achieve them.	P32-P34
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P40-P43

Scope, dimensions, general disclosure and key performance indicators		Location in the Report
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P44
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P29-P47
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P36-38, P48-P51
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P29, P38
A4.1	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. Related to pay and termination, hiring and promotion, hours of work, vacation, equal opportunity, diversity,	P36-P38
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to anti-discrimination and other benefits	P56-P59, P62-P65
B1.1	B1.1 Total workforce by gender, employment type, age group and geographical region.	P57
B1.2	Employee turnover ratio by gender, age group and region	P57
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P54
B2.1	Number and rate of work-related fatalities occurred in each of the past three years	/
B2.2	Days lost due to work injury.	P54
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P54-P55
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P56, P60-P63
B3.1	The percentage of employees trained by gender and employee category(e.g. senior management, middle management).	P62
B3.2	The average training hours completed per employee by gender and employee category.	P60, P62
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P56
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P56
B4.2	Description of steps taken to eliminate such practices when discovered.	P56

Scope, dimensions, general disclosure and key performance indicators		Location in the Report
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P68-P71
B5.1	Number of suppliers by geographical region	P68
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and mon-itored.	P68-P69
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P68-P69
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P44-P45, P68-P69
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P14-P19
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P14-P15
B6.2	Number of products and service related complaints received and how they are dealt with.	P18
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P18
B6.4	Description of quality assurance process and recall procedures.	P14-P19
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P18
General Disclosure	The policies; and data about compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P8
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P8
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P8
B7.3	Description of anti-corruption training provided to directors and staff.	P8
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P72-P76
B8.1	Focus areas of contribution (e.g. education, environmental concerns,labour needs, health, culture, sport).	P50-P51, P72-P76
B8.2	Resources contributed (e.g. money or time) to the focus area.	P50-P51, P72-P76

Your Feedback

Dear Reader,

Thank you very much for taking time to read the 2023 Environmental, Social and Governance Report of Tsingtao Brewery Co., Ltd. If you have any comments or suggestions for this Report, please fill out the Feedback Form below and return it to us by post, fax or email. We would be much obliged for your valuable comments!

Name: Unit:

Contact No.: Email:

Which sections do you think provide you with important information?

1 "Preface" Section 2 "Compliance and Sound Operation" Section 3 "Product Quality" Section

4 "Environmental Protection" Section 5 "Employees" Section 6 "Value Chain" Section

7 "Third-party Evaluation" Section

How do you think of this Report?

	Good	Average	Poor
Readability			
Pertinence			
Layout Design			
Overall Impression			

What are your suggestions for our Report next year?

Please contact us:

Address: Public Relations Management Headquarters, Tsingtao Brewery Building, May 4 Square, Xianggang Middle Road, Shinan District, Qingdao, Shandong Province 266071, China

Tel: 0532-85785641