统一企业中国控股有限公司
UNI-PRESIDENT CHINA HOLDINGS LTD.
(a company incorporated in the Cayman Islands with limited liability)
(一家於開曼群島註冊成立的有限公司)
(Stock Code 股份編號：220)

2023
Corporate Social Responsibility Report

CREATE A HEALTHY AND HAPPY TOMORROW

Contents

Chairman's Statement

Mr. Lo Chih-Hsien
Chairman of Uni-President
China Holdings Ltd.

Move steadily forward and remain committed to sustainable development

We remain true to our original aspiration no matter how far we go. In 2023, Uni-President continues to maintain its enterprising, pioneering and innovative spirit, and moves steadily forward on the path of sustainable and high-quality development. We continue expanding new business areas and market space, bringing consumers nutritious and healthy food, and comprehensively promoting the sustainable development of Uni-President. We practice "long-termism", combine quality management with ecological management, and unswervingly follow the path of high-quality development, contributing wisdom and strength to the sustainable development of the industry.

In the past year, we have always insisted on quality first by continuously optimising our product structure and increasing our investment in research and development, and launched a series of new products that meet the needs of consumers. We strive to build a sound food safety management system to ensure the safety and health of all our products. In order to provide better services to our customers and consumers, we continue to promote digital transformation and introduce advanced technologies to improve operational efficiency, with an aim to evolve into an enterprise boasting "Integrity", "Brand" and "Taste".

We maintain close relationships with consumers, government, employees and other stakeholders. Based on our products and services, the Company proactively addresses key sustainability issues such as food safety, product innovation, business ethics and anti-corruption, safety and health, and customer service, so as to constantly improve our performance in environmental, social and governance areas.

Meanwhile, we actively respond to the 1.5°C temperature control goal under the "Paris Agreement" and the national goal of "carbon peaking and carbon neutrality", and strive to reduce carbon emissions. By optimising resource management and improving energy utilisation efficiency, the Group effectively reduces environmental loads while safeguarding our business development, and promotes green development. It is our goal to create a healthy, positive, harmonious and innovative working environment, so that our employees can contribute to the development of Uni-President and realise their self-worth. We uphold the principle of honest operation, and work together with all partners to achieve win-win results. In addition, we always adhere to the concept of giving back to the community, and are committed to fulfilling our social responsibilities, accelerating the development and progress of the community.

Forge ahead and create a healthy and happy tomorrow

Looking forward to 2024, we will continue to firmly advance sustainable operation. Upholding the business philosophy of "Honesty and Diligence; Innovation and Excellence" and the business attitude of "Continuous Innovation and Advancing with the Times", we will exert persistent efforts and steadily march on the path of providing consumers with high quality products and services, as well as focusing on the well-being of our employees and the community. Moreover, we will work hand in hand with all parties to promote the harmonious development of the economy, the society and the environment, jointly creating a healthy and happy tomorrow.

About the Report

Uni-President China Holdings Ltd. (the "Company", stock code: 220) hereby issues the 2023 Corporate Social Responsibility Report (the "Report", the "CSR Report") to elaborate our policies, measures, actions and achievements regarding corporate social responsibility to stakeholders.

Reporting Scope
Unless otherwise specified, the Report covers the major businesses of the Company and its subsidiaries (collectively referred to as the "Group", "we" or "Uni-President") in the manufacture of food and beverages in the mainland of China during the period from 1 January 2023 to 31 December 2023 (the "Reporting Period").

Report Reference
The Report strives to comply with relevant industry-wide sustainability reporting standards. It highlights corporate characteristics based on the industry background. The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Exchange") and with reference of "GRI Standards" of the Global Sustainability Standards Board.

Notes to the Report's data
All monetary amounts quoted in the Report are shown in Renminbi ("RMB") unless otherwise specified.

Reporting Principles
The Report is prepared in accordance with the following reporting principles required in the "ESG Guide":

"Materiality": Significant stakeholders were identified and key environmental, social and governance ("ESG") issues were determined through stakeholder engagement and materiality assessment. Description of stakeholders, process of stakeholder engagement, process and results of materiality assessment has been disclosed in the Report.

"Quantitative": Information on the standards, methodologies and source of conversion factors used for the reporting of emissions/energy consumption has been disclosed in the Report.

"Consistency": During the Reporting Period, the Company included mobile and fugitive emission sources in the scope of GHG emissions and simultaneously calculated methane and nitrous oxide emissions from fuels, and the scope of statistics and data calculation methods of the rest of the performance indicators were consistent with those of the Company's "2022 Corporate Social Responsibility Report" published on 24 April 2023.

"Balance": This report follows the principle of balance and objectively presents the ESG performance of the Group.

Report availability
The Report is released in online version and is available for view and/or download on the HKEXnews website (http: //www.hkexnews.hk) and the Company's official website (http: //www.uni-president.com.cn).

Feedback
If you have any comments or recommendations for the Report or our social responsibility work, please contact us through:
Email: ir@pec.com.cn
Postal address:
(1) No. 131, Linhong Road, Hongqiao Linkong Economic Park, Changning District, Shanghai, the People's Republic of China, or;
(2) Unit 703A, 7/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong SAR, China

About Uni-President

Group Overview

The Group, one of the market-leading manufacturers of beverages and instant noodles, started to operate in 1992 and listed on the Main Board of the Stock Exchange of Hong Kong Limited on 17 December 2007. The Group reported revenue of 28,591 million in the Reporting Period and total assets of 22,134 million as of the end of the Reporting Period.

revenue of
28,591 million

total assets of
22,134 million
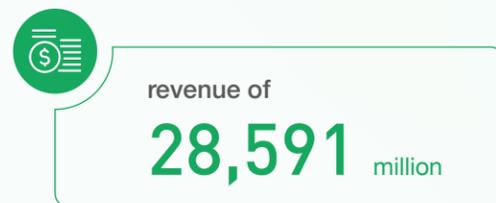
The Group adheres to the business philosophy of "Honesty and Diligence; Innovation and Excellence" and upholds the long-term principle of "Value Marketing". With a focus on business operation, we are dedicated to creating brand value, with an aim to evolve into an enterprise boasting "Integrity", "Brand "and "Taste". Since the entrance into the mainland China market more than 30 years ago, we have formed a multicategory product matrix covering instant noodles, tea drinks, juice, bottled water, soy milk, bottle can products, etc., featuring in "Soup Daren (" 湯達人 ")", "Kai Xiao Zao (" 開小灶 ")", "Uni Ice Tea (" 统一冰紅茶 ")", "Chai Li Won (" 茶裏王 ") ", "Uni Orangeate (" 统一鮮橙多 ")", "Uni Assam Milk Tea (" 统一阿薩姆奶茶 ")" and other popular products.

Corporate Culture

Business Philosophy
Business Philosophy: Three Goods and One Fairness: Good Quality, Good Credit, Good Service and Fair Price; Honesty and Diligence, Innovation and Excellence

Vision
Play "everyone's all-time favourite symphony of food"; Build with love and care a "life industry" inseparable from people's life

2023 Corporate Honours

Social recognition

- Uni-President was honoured to appear on the 2023 Hurun China Food Industry Top 100
- Uni-President (China) Investment Co., Ltd. was honoured with the "Shanghai Green Development Contribution Award"
- Uni-President was honoured with China Food CSR Annual Conference "Advanced Enterprise in Social Responsibility Award"
- Uni-President was honoured as "China Beverage Industry High Quality Development Leader (Top 19)"
- Uni-President was honoured as a "30-year Ivy League Company in China's Beverage Industry"
- Uni-President was honoured as "National Leading Quality Enterprise in the Food Industry" certificate by China Association for Quality Inspection
- Uni-President was honoured as "National Product and Service Quality and Integrity Brand" certificate by China Association for Quality Inspection
- Uni-President was honoured as "National Quality and Credit Guarantee Products" certificate by China Association for Quality Inspection
- Uni-President was honoured as "National Quality and Integrity Benchmarking Enterprise" certificate by China Association for Quality Inspection
- Uni-President was honoured as the "2023 Consumer Preferred Brand of the Year in the Out-of-Home Consumer Market" by Huatang-Food Headlines
- Wuhan Uni-President Food Co., Ltd. was honoured as the "National Green Factory"
- Guangzhou Uni-President Co., Ltd. was honoured as the "National Green Factory"
- Shaanxi President Enterprises Co., Ltd. was honoured as the "National Green Factory"
- Guiyang President Enterprises Co., Ltd. was honoured as the "National Green Factory"
- Changsha President Enterprises Co., Ltd. was honoured as the "2023 Hunan Province Green Manufacture Demonstration Unit"
- Nanchang President Enterprises Co., Ltd. was honoured as the "2023 Jiangxi Water Efficiency Leader "
- Nanchang President Enterprises Co., Ltd. was honoured as the "Jiangxi Province Safety Culture Construction Demonstration Enterprise"
- Zhengzhou President Enterprises Co., Ltd. was honoured as the "Henan Provincial Water-saving Enterprise"
- Jinan President Enterprises Co., Ltd. was honoured as the "Shandong Provincial Water-saving Enterprise"

Product awards

- "Soup Daren Mixian with Thick Sauce ("湯達人肥汁米線") " won the 2022 to 2023 Innovative Products of China Instant Food Industry Award
- "Kai Xiao Zao - Frozen Fried Rice Series("開小灶冷凍炒飯系列") " won the 2022 to 2023 Innovative Products of China Instant Food Industry Award
- "Xiao Huan Xiong - High Fibre Konjac ("小浣熊高纖魔芋")" won the 2022 to 2023 Innovative Products of China Instant Food Industry Award
- "Kai Xiao Zao - Boiled Beef ("開小灶水煮牛肉")" has been certified by the Expert Group of the CIFST (Chinese Institute of Food Science and Technology) as a key freshness-locking technology
- "Kai Xiao Zao ("開小灶") " was honoured as "2023 Consumer Innovation Brand of the Year" by Huatang-Food Headlines

2023 Focus

Operation

Total assets
22,134 million

Revenue
28,591 million

Total profit
1,667 million

R&D investment
186 million

Environmental

Direct (Scope 1) greenhouse gas ("GHG") emissions: **187,547** tCO_2e

Energy indirect (Scope 2) GHG emissions: **457,572** tCO_2e

Natural gas consumption:
730,169 MWh

Electricity:
457,954 MWh

Purchased steam:
516,396 MWh

Total energy consumption:
1,704,519 MWh

Water consumption:
11,416,744 tonnes

Hazardous waste:
241 tonnes

Non-hazardous waste:
63,612 tonnes

Packaging materials consumption:
446,437 tonnes

Social

The Food Safety Testing Centre can provide testing for over **700** items and has a total of **173** CNAS test items

Total number of employees: **33,539**

Valid intellectual property rights held: **3,157**

Devoted approximately RMB **3,646,056** and **4,720** hours for social and public welfare activities and natural disaster donations in total

42.8%

35.8%

Proportion of female employees

Proportion of female employees in the management

Take Responsibility to Empower Sustainable Development

Uni-President adheres to the business philosophy of "Honesty and Diligence; Innovation and Excellence" and takes "Sustainable Operation" as its goal and strategy. While pursuing performance growth, we make great efforts to create value for the community and actively fulfil our corporate social responsibility by focusing on a number of issues, including food safety, product innovation, customer service, business ethics and anti-corruption, and safety and health, in order to drive the Company's continuous growth and achieve sustainable development.

The UN Sustainable Development Goals we have attended to

Corporate governance

Diversified governance

Appreciating that good corporate governance is crucial to the Company's sound development and enhancing investors' confidence, Uni-President has strictly implemented high-level corporate governance practices and procedures, adhered to transparent operations and safeguarded shareholders' rights and interests. As of the end of the Reporting Period, the Board consisted of 9 members, including 2 executive directors, 3 non-executive directors and 4 independent non-executive directors. During the Reporting Period, we held 4 meetings of the Board, 3 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration Committee and 2 meetings of the Investment, Strategy and Development Committee.

The Board is responsible for the leadership and control of the Company. The Board oversees the Group's businesses, investment and strategic decisions, maintains the effectiveness of the Group's risk management and internal control systems, and monitors the performance of the Group. There are currently four committees established under the Board, each committee has its terms of reference and reports to the Board regularly. The duties of committees are:

Audit Committee	Nomination Committee	Remuneration Committee	Investment, Strategy and Development Committee
The primary duties of the Audit Committee are to make recommendations to the Board on appointment and removal of the external auditors, approving the remuneration and terms of engagement of external auditors, reviewing financial information and overseeing the financial reporting system and internal control procedures.	The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of independent non-executive directors and make recommendations to the Board on any proposed changes to the Board, or select individuals nominated for directorships and/or appoint or re-appoint directors.	The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure of the remuneration of the directors and senior management, to determine on behalf of the Board the remuneration packages of individual executive directors and senior management, and to make recommendations to the Board on the remuneration packages of non-executive directors.	The primary duties of the Investment, Strategy and Development Committee are to review the investment and development plans and policies of the Group, and review investment proposals and make recommendations to the Board.

Board capacity building and diversity

The Board adopted a Board Diversity Policy, aiming at improving the efficiency of the Board, maintaining the highest level of corporate governance, and recognising and embracing the benefits of having a diverse Board. Under the Board Diversity Policy, in order to achieve a diversity of perspectives, skills and experience within the Board, a number of factors will be considered when deciding on appointments to the Board and the continuation of those appointments, including but not limited to gender, age, cultural and educational background, length of service, skills, regional and industry experience. In forming its perspectives on Board diversity, the Company will also take into account its own business model and specific needs from time to time. As of the release of the Report, out of the 9 Board members, 8 of them are male and 1 of them is a female.

For other details of the Company's corporate governance, please refer to "Corporate Governance Report" as set out in the Company's Annual Report of the year.

Risk management and internal supervision

The Group identifies, analyses and assesses potential environmental, social and governance risks according to its operating environment, and addresses them through transparent and appropriate management approaches. We also regularly identify and update potential risks based on our business development and industry trends, putting all risks under effective control.

Social responsibility risks	How we address the risk	Relevant section
Food safety risk	• Set up Food Safety and Quality Committee, improve management and further enhance food safety risk assessment, alert and monitoring; • Establish "Three Lines of Food Safety Defence" of food safety (namely qualification review, field inspection, food safety testing), and through multi-perspective risk control, to effectively control food safety risks arising from suppliers; • Adopt "Three Checks of Quality Control" (namely quality control on development and design, quality control on production process and quality control on delivery channel) and actively analyse for improvement and track products to cautiously prevent abnormalities in quality; • Carry out digital empowerment in design, procurement, production, sales and other links, comply with relevant requirements of "Three Lines of Food Safety Defence" and "Three Checks of Quality Control", and strengthen food safety management at the source of supply chain and food safety monitoring of finished products.	"Intelligently Make" Healthy and Safety Food
Business integrity risk	• Operate in good faith, follow the principles of fairness, honesty, integrity and transparency in business activities, and establish a corporate culture of honest operation and a sound risk control mechanism.	Take Responsibility to Empower Sustainable Development
Occupational Health and safety risk	• Adhere to "people-oriented, safe and healthy" approach, striving to become a safe, healthy and environmental- friendly factory; • Establish a production safety management system, develop and continuously improve various standards and policies for production safety and occupational health management; • Regularly deliver trainings on staff production safety and occupational health, provide all-round protection for staff.	Achieve Good Work-life Balance
Environmental policy risk	• Strictly abide by national environmental protection laws and regulations and integrate the energy conservation and emission reduction work into the whole process of production and operation activities.	Embrace a Low-carbon and Green Future
Climate change risk	• Conduct climate risk assessment, identify and assess the impact of relevant risks on the Company, and formulate corresponding mitigation and response measures; • Continue to pursue improvement in standardisation and systematisation. Reduction of energy use and pollutant emissions is ultimately achieved through management of target as well as the daily checking, performance inspection and analysis and rectification system	Embrace a Low-carbon and Green Future

In addition, in terms of public opinion risk, public opinion that may trigger a negative incident or emergency is promptly captured and handled with via public opinion monitoring and early warning service provided by a third party. In addition, the "Operational Standards for Handling Media-related Negative Incidents", "Operational Standards for Eliminating Negative Opinions", and the "Contact List for Reporting Negative Incidents" specify processes, responsibilities, timeframe, strategy and subsequent actions for monitoring and early warning, and for emergency responses, to ensure proper response and handling of public opinion risks while playing the role of public opinion monitoring and continuously improving the level of internal management.

Intellectual property management

The Group respects and protects intellectual property, sticks to originality and boycotts counterfeits, actively promoting a good market order and safeguarding its own and consumers' rights. We strictly complied with the "Copyright Law of the People's Republic of China", the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and other relevant laws and regulations. We applied certificates for all patents, trademarks, and copyright from intellectual property authorities and signed patent and copyright transfer contracts where third-party patents or works are involved.

We advance management and protection of intellectual property in a refined way. In accordance with the "Operational Standards on Anti-infringement Mechanism and Counterfeits Handling Process Regarding Intellectual Property" and "Operation Standards for Intellectual Property Protection", we regularly inspect the use of patents, works and registered trademarks, ensuring the stability of our rights to patents, copyright and trademarks. Meanwhile, we constructed a line of defence against infringing products and conducted market investigation and monitoring to crack down on infringing products and maintain our brand image. As of the end of the Reporting Period, the Group held a total of 3,157 valid intellectual property rights, ranging from food safety, product R&D, process optimisation to manual process optimisation.

Business ethics

The Group proactively builds a corporate culture of "Honesty and Diligence" and a comprehensive business ethics management mechanism. The Group strictly complies with relevant laws and regulations, including but not limited to the "Company Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and the "Anti-Money Laundering Law of People's Republic of China", and follows the principles of fairness, honesty, integrity and transparency when conducting business activities. Internal Audit Department of the Group (the "Internal Audit Department") is responsible for monitoring internal anti-corruption. It takes charge of prevention of the risk of corruption in all aspects of operation and management, corruption reports handling and integrity culture construction.

⦿ Standardise professional ethics

The Group prohibits employees or anyone acting on behalf of the Company from obtaining business interests through corruption and bribery in any form or other misconduct of the same nature. The Group explicitly stated "Professional Ethics and Code of Conduct" within the "Staff Manual", covering "anti-harassment and discrimination", "conflict of interest", "illegal or improper behaviour" and "prevention of corruption and bribery", and established a series of business ethics and integrity requirements for relationships with suppliers, requiring all staff and business partners to adhere to ethical and transparent business practices at all times. We also assist business partners to understand the right ways to do our business by complying with our due diligence procedures and integrity terms.

We carry out internal audits and checks at different frequencies according to the importance and risk level of our business to monitor compliance at each subsidiary, especially compliance with business ethics. We categorise our subsidiaries according to their size and business status, and review each subsidiary once a year, twice a year or once every three years based on their size and business status to achieve internal audits and reviews covering for all subsidiaries every three years to ensure that all subsidiaries operate in compliance. In 2023 we conducted 42 internal reviews and rectified all deficiencies identified

⦿ Whistle-blowing and Complaint Management

The Group encourages internal and external stakeholders such as employees, customers and partners to report any suspected violations of laws and regulations or business ethics. Through the "Operational Standards on Whistle-blowing System" and "Whistle-blower Policy", the Group stipulates the scope, means and channels, verification rules, post-procedures upon receiving reports as well as reward and penalty policy. We also keep several whistleblowing channels open, such as reporting mailbox, reporting hotline, reporting email, office platform reporting portal. A whistle-blower is encouraged to report to the Internal Audit Department or Audit Committee of the Group through a variety of means including official document, face-to-face meeting, letter, email, phone (fax) or any other way(s) the whistle-blower deems appropriate. Upon receiving the report, the leader of Internal Audit Department will assign a staff to conduct a preliminary review and decide whether to formally file a case. If a case needs to be filed for investigation, the assigned staff shall investigate and report to the leader of Internal Audit Department. Then a formal report will be prepared and submitted to the chairman of the Board for approval.

In addition, in accordance with the whistle-blower protection and incentive measures, the Group maintains the confidentiality of the whistleblowers' information and the materials provided by them through the whole-process protection of "acceptance, registration, storage, and investigation", resolutely prevented the occurrence of retaliation against whistle-blowers and imposed severe penalties on those who had violated the regulations.

During the Reporting Period, neither the Group nor any of our employees was involved in any corruption lawsuits that had already been filed and concluded.

⦿ Establish a clean culture

The Group holds the philosophy of "honesty" and provides business integrity training for all staff and management, continuously updates the corporate knowledge platform with new anti-corruption cases for education purpose and focuses on strengthening the integrity education of employees and management in key positions, enhancing the integrity awareness of all staff. During the Reporting Period, we carried out 14 anti-corruption and business integrity trainings, with 4,122 participants. These trainings covered the concept of corruption and business integrity, criminal liabilities, case study, anti-corruption key points, internal control system, internal whistle-blowing channels, business integrity concept, etc. Furthermore, we also provided trainings for all Directors by sending them relevant training materials.

Carried out **14** anti-corruption and business integrity trainings

with **4,122** participants

Social responsibility governance

Governance mechanism

Uni-President understands that improving its environmental and social performances is essential for achieving sustainable operation. We have incorporated related social responsibility risks and opportunities into our business strategy to guide our daily operations.

We have established a social responsibility management structure including "decision level, organisation level and implementation level", practising our sustainable development commitments.

Decision Level - Board of Directors

The Board is the highest responsible body for the social responsibility strategy and management of the company. The duties of the Board of Directors are as follows:

· Responsible for identifying, prioritising and managing major social responsibility issues with reference to stakeholder communications and materiality assessment;
· Assessing social responsibility risks;
· Formulating social responsibility strategies, setting social responsibility performance targets and regularly reviewing the progress.

Organization Level - Senior management

The duties of the senior management are as follows：

· Assessing and defining the Company's social responsibility risks and ensuring that appropriate and effective systems of social responsibility risk management and internal control are in place;
· Reporting to the Board on risks and opportunities relating to social responsibility and to provide confirmation of the effectiveness of social responsibility systems;
· Assisting the Board in guiding and monitoring the development and implementation of the Group's social responsibility efforts and to monitor and follow up on the progress of achievement of social responsibility performance targets.

Implementation Level - Social responsibility working group

The social responsibility working group consists of professionals from functional units, their duties are as follows:

· Being responsible for carrying out social responsibility related work and supervising the development of corporate internal control standards for functional units within the Group around environmental and social related laws and regulations;
· Continuously promoting energy conservation, emission reduction, environmental protection and corporate social responsibility, and implementing effective monitoring and management in the course of operation.

Stakeholders communication

Committed to the philosophy of "Join Hands to Build Uni-President's Future", we communicate with stakeholders in various channels to proactively understand their expectations and claims regarding the Group's social responsibility work. We pay great attention to opinions of stakeholders, incorporate their concerns and claims into our sustainable development topics and make active responses by practical actions in pursuit of mutual development with stakeholders.

Stakeholders	Expectations and concerns	Engagement channels
Shareholders or investors	· Protection of shareholders' rights · Compliance operation and management · Information disclosure · Return on investment	· General meetings · Announcements (interim reports, annual reports, CSR reports, circulars and announcements) · Websites of the Company/the Hong Kong Exchange · Investor's' conferences and roadshows
Government or regulatory authorities	· Law and compliance supervision · Fulfilment of tax obligations · Social contribution · Business and economic development · Safe operation	· Government reception · Compliance reports · Field inspection · Participation in government meetings or seminars · Submission of documents · Response to queries or investigation
Suppliers	· Fair competition · Long-term business relationship · Product quality monitoring	· Evaluation of suppliers · Field inspection · Daily communication
Employees	· Protection of employees' interests and rights · Communication between management and staff · Occupational safety and health · Staff benefits improvement · Equal employment opportunities and diversified development	· General Manager direct communication mailbox · Daily communication · Staff seminars · Staff representatives' meetings · Staff training
Customers	· Long-term business relationship · Performance and product safety · Product quality · Inventory management	· Daily communication · Customer satisfaction survey · Customer feedback and visits · Product management
Environment	· Compliant emission · Resource conservation · Reducing packaging materials · Climate change	· Environmental management improvement · Promoting energy saving · Strictly managing and controlling emissions · Response to climate change
Community	· Community involvement · Charitable projects	· Volunteer activities · Charitable activities

Materiality assessment

In order to fully understand the social responsibility issues that matter to Uni-President, we selected some key stakeholders in 2020, and carried out a formal materiality assessment from two dimensions including "Materiality to the Company's business" and "Materiality to stakeholders" so as to identify and prioritise key issues, which was reported in the matrix below. During the Reporting Period, we reviewed the issues in accordance with their importance and continued to respond to key issues.
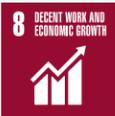
The materiality assessment matrix below illustrates the Group's key social responsibility issues. We will prudently consider and focus on these issues throughout our business operations, and pay constant attention to and allocate resources to manage all issues affecting the Group and stakeholders on the whole.

2020 materiality assessment	2023 review

Identify Issues

Taking into account the Group's operational characteristics and strategic direction, and following Sustainable Development Goals (SDGs), "GRI Standards" of Global Sustainability Standards Board and "ESG Guide" of the Hong Kong Exchange, we identified 17 social responsibility issues concerning the Group after internal assessment.

Reviewing the 17 social responsibility issues to confirm that the Group's social responsibility practices for the Reporting Period were comprehensively covered.

Conduct Survey

Identifying significant internal and external stakeholders and invited stakeholder representatives to complete questionnaire surveys, in order to understand their views on materiality of each issue and collect their opinions and suggestions.

Conducting interviews and meetings with key internal and external stakeholders to understand their level of concern about the social responsibility issues we identified as important.

Confirm Results

A total of 1,947 valid questionnaires were collected. After the analysis of survey results of internal and external stakeholders, we identified the priority of economic, environmental, and social issues, and generated a materiality assessment matrix which was then reviewed and verified by the Social Responsibility Working Group.

Based on the communication and confirmation with various internal and external stakeholders, confirming there were no significant changes in their assessment of the importance of the Group's 17 social responsibility issues. The materiality assessment matrix was reviewed and confirmed by the Group's Social Responsibility Working Group that there were no significant changes.

Materiality Assessment Results

Materiality assessment matrix. Vertical axis: Importance to stakeholders (Low to High). Horizontal axis: Importance to the Company's business (Low to High). Issues plotted:
- Food safety
- Customer services
- Product innovation
- Business ethics and anti-corruption
- Responsible marketing
- Material management
- Economic performance
- Safety and health
- Sustainable supply chain
- Climate change
- Energy management
- Water resource management
- Talent cultivation
- Compliant emission
- Intellectual property
- Employees interests and care
- Charitable activities

Legend: ○ Economic | ○ Environmental | ○ Social

Response to SDGs

In 2015, all United Nations Member States adopted 17 Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet and improve the lives and future of all people. Considering our major social responsibility issues, we actively answer to the call and support SDGs from multiple aspects.

Title of sections	Social Responsibility Issues	UN SDGs responded
☆ About Uni-President	Economic performance	8 DECENT WORK AND ECONOMIC GROWTH
☆ Take Responsibility to Empower Sustainable Department	Business ethics and anti-corruption	12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
☆ "Intelligently Make" Healthy and Safety Food	Food safety · Product innovation	3 GOOD HEALTH AND WELL-BEING · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
☆ Embrace a Low-carbon and Green Future	Material management · Water resource management · Climate change · Energy management · Compliant emission	7 AFFORDABLE AND CLEAN ENERGY · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION
☆ Achieve Good Work-life Balance	Safety and health · Talent cultivation · Employees interests and care	3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH
☆ Pursue Win-win Cooperation in Industry	Customer services · Sustainable supply chain · Responsible marketing · Intellectual property	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
☆ Create Value and Give Back to the Society	Charitable activities	1 NO POVERTY · 2 ZERO HUNGER · 3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION

"Intelligently Make" Healthy and Safety Food

Uni-President upholds the philosophy of "Three Goods and One Fairness: Good Quality, Good Credit, Good Service and Fair Price", and adheres to the food safety mission of "be comfortable and happy to eat" to offer safe, healthy and delicious food to consumers.

The UN Sustainable Development Goals we have attended to

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Prioritise food safety

Improve food safety management system

Uni-President always regards customers' health and safety as the top priority, and is committed to the mission of "be comfortable and happy to eat". We have set up the Food Safety and Quality Committee and the Food Safety Management Office to establish a comprehensive food safety management mechanism, and continue to invest resources and strengthen our professionalism every year in order to provide consumers with high-quality and safe products.

⊙ Organizational structure

The Food Safety and Quality Committee, the highest authority in the management of food safety and quality system, is headed by general manager and includes supervisors from Commercial Research and Development (R&D) Institute, Procurement Resource Management Office, Production Management Office, Food Safety Management Office and other relevant departments of the Group. Also, experts from well-known domestic universities and national risk assessment centre are invited to serve as the Group's food safety management consultants. The Food Safety and Quality Committee holds regular meetings to keep abreast of national regulatory developments, accurately control food safety risks in the industry, effectively deploy the food safety management system, review disciplinary and preventive measures, and continuously monitor the effective implementation of food safety policies.

Food Safety and Quality Committee
Head: General Manager
Deputy head: Deputy General Manager

↓

Sponsor: Head of Food Safety Management Office

Observer: Internal audit unit

Food Safety and Quality Committee Head of Procurement Resource Management Office, Head of Production Management Office, Head of Public Affair Office, Head of Commercial Research and Development Institute

External consulting committee

System construction

We strictly implement food safety management and established a sound food safety management system. With reference to the requirements of ISO 22000 Food Safety Management System and FSSC 22000 Food Safety Management System as well as Hazard Analysis Critical Control Point (HACCP) system, we continuously improve our food safety management system and strengthen system by expanding certification coverage.

As of the end of the Reporting Period

26 subsidiaries of the Group were accredited with the ISO 22000 certification

6 with the HACCP certification

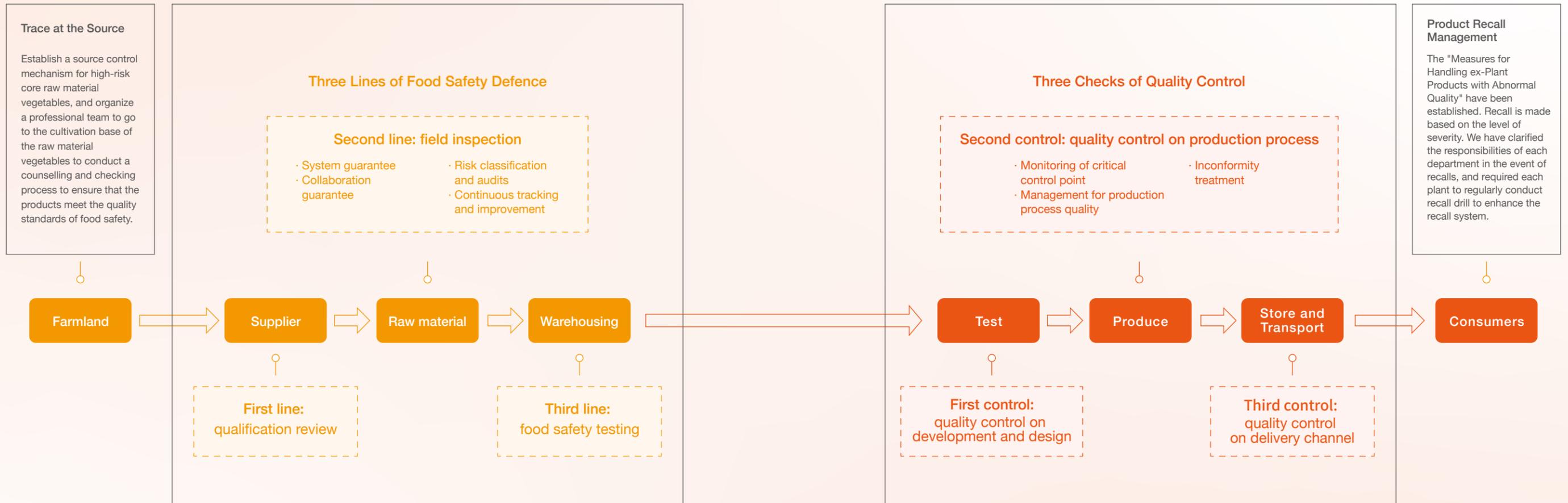and **1** with the FSSC 22000 certification

Build a solid defence line for food safety

The Group is strictly in compliance with relevant laws and regulations, such as the "Food Safety Law of the People's Republic of China". Additionally, we stringently monitor all food safety related projects of all products to ensure compliance with legal and regulatory requirements, to protect the safety and security of consumers.

⊙ Whole-process control system for food safety

The Group has established a comprehensive quality management system that covers all staff and chains, built "Three Lines of Food Safety Defence", insisted on "Three Checks of Quality Control", and standardised product traceability procedures to realise monitoring, analysis, control and prevention of each key point of food safety and quality control from source to end customers, ensuring product quality and safety in all aspects.

During the Reporting Period, we upgraded the management of "Three Checks of Quality Control" to "quality control on development and design", "quality control on production process" and "quality control on delivery channel", increasing the food safety and quality control at the product design stage to effectively implement the prevention-oriented food safety and quality management policy, and at the same time, focusing on the quality control of the delivery channels, in order to continue to enhance the consumer experience.

Trace at the Source

Establish a source control mechanism for high-risk core raw material vegetables, and organize a professional team to go to the cultivation base of the raw material vegetables to conduct a counselling and checking process to ensure that the products meet the quality standards of food safety.

Three Lines of Food Safety Defence

Second line: field inspection

· System guarantee
· Collaboration guarantee
· Risk classification and audits
· Continuous tracking and improvement

Three Checks of Quality Control

Second control: quality control on production process

· Monitoring of critical control point
· Management for production process quality
· Inconformity treatment

Product Recall Management

The "Measures for Handling ex-Plant Products with Abnormal Quality" have been established. Recall is made based on the level of severity. We have clarified the responsibilities of each department in the event of recalls, and required each plant to regularly conduct recall drill to enhance the recall system.

Farmland → Supplier → Raw material → Warehousing → Test → Produce → Store and Transport → Consumers

First line: qualification review

Third line: food safety testing

First control: quality control on development and design

Third control: quality control on delivery channel

Three "not" of food safety
1.Not to introduce of suppliers with food safety risks   2.Not to let off suppliers with food safety hazards
3.Not to pass food safety risks

Three "not" of quality
1.Not to design products with quality hazards   2.Not to let off processes with abnormal quality
3.Not to pass quality risks

During the Reporting Period, the Group carried out a total of **31** nation-wide recall simulation exercises for **38** batches of products, with the overall traceability exercise of about **3** hours and a traceability rate of **100%**.

During the Reporting Period, the Group had **no** products recalled due to product safety and health reasons.

In 2023, Nanchang Uni-President was nominated for **the First Qingshanhu District Mayor's Quality Award** after rigorous review and selection by the municipal government departments.

Kunshan Uni-President's team representatives won **the first, second and third prizes as well as the individual awards** in the "2023 Suzhou Food Production Industry Inspector Skills Competition" organised by the Market Supervision and Management Bureau of Suzhou Municipal People's Government.

Focus: Raw material supplier management

We have introduced a comprehensive food safety protection programme, promoting supplier traceability, extending the programme through the production process and covering sales channels. We strictly control quality of our raw material suppliers by adhering to the management concept of "selecting the best to match the strong, eliminating the weak and retaining the strong, helping each other and growing together".

Trace at the source of farmland	Select the best to match the strong	Eliminate the weak and retain the strong	Help each other and grow together

The Food Safety Management Office establishes a source control mechanism for high-risk core raw material vegetables, and manages and regulates the site selection of the cultivation base and its surrounding environment. During the harvest season, a professional team comprising of procurement, production, and quality assurance personnel from the regional supervisory plant goes to the cultivation base of the raw material vegetables to conduct a counselling and checking process to ensure that the products meet the quality standards of food safety. In 2023, we monitored 910 batches of cabbage products at source, with 100% product compliance.

We have set up "Three Lines of Food Safety Defence" to introduce qualified suppliers and reject suppliers that do not meet relevant standards.

We have formulated the risk grading and management system of suppliers, in which suppliers are dynamically scored and classified each year according to raw material risk, supplier risk and supply performance, reducing the proportion of high-risk suppliers year by year.

We gradually infiltrate our food safety management culture into external suppliers/manufacturers /distributors through continuous food safety management training and monthly publication; carry out in-depth cooperation with external certification bodies, regularly invite them to train the relevant parties in the supply chain and arrange these professional bodies to audit our upstream suppliers.

Requests for new raw material → Pass → Sample inspection → Pass → Supplier qualification review → Pass → Supplier field inspection → Pass → Food safety test of raw materials → Pass → Mass production trial → Pass → Introduce of qualified supplier

Focus: The food safety testing centre

The Group's Food Safety Management Office has a Food Safety Testing Centre. Since 2005, the Centre has passed the expert review of China National Accreditation Service ("CNAS") for conformity assessment every year. Currently, it has passed 173 tests so far. It also has a number of practical new national patent authorisations and tests more than 700 items all year round, including food safety items concerning pesticide residues, veterinary residues and heavy metals, covering the testing of beverage, food and packaging materials.

173 Passed tests so far

700 Tests more than items all year round

During the Reporting Period, the testing centre passed the CNAS field review, and the original soy sauce GB 5517 acidity accreditation project was certified in combination with GB/T 12456-2021 determination of total acid.

We also phase out and upgrade food safety testing equipment based on demand, and have had regular testing cooperation and technical exchanges with well-known third-party testing companies as well as government agencies and university testing institutions at home and abroad.
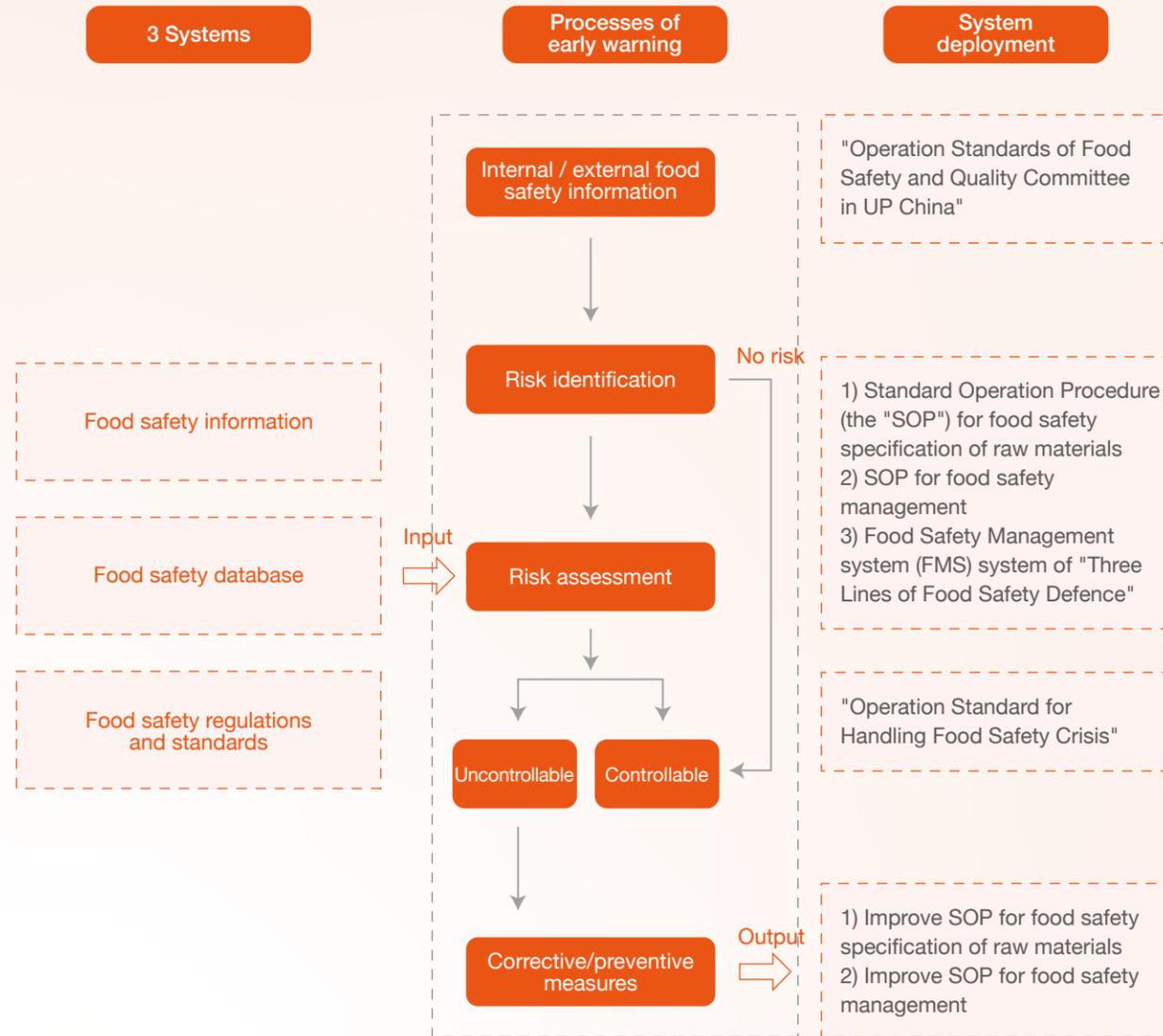
◉ Risk warning

We pay close attention to various external food safety accidents and conduct timely risk assessment. Identical or similar raw materials finished products involved in such accidents will be screened and phased out in our food safety management system to ensure food safety. We also collect and disseminate information on food regulations and domestic and international food safety developments trends, strengthen the education of all staff on food safety awareness, and monitor the implementation of food regulations and safety standards.

During the Reporting Period, we integrated and upgraded our food safety and quality management platform - Digital Intellectualisation System. The system covers three major sub-systems, including the food regulatory sub-system, the supplier quality management sub-system and the process/finished product quality management sub-system, to accelerate the digitalisation of food safety and to empower the risk management of food safety.

Processes of risk early warning

3 Systems

Processes of early warning

System deployment

Food safety information

Food safety database

Food safety regulations and standards

Internal / external food safety information

"Operation Standards of Food Safety and Quality Committee in UP China"

Risk identification → No risk

1) Standard Operation Procedure (the "SOP") for food safety specification of raw materials
2) SOP for food safety management
3) Food Safety Management system (FMS) system of "Three Lines of Food Safety Defence"

Input → Risk assessment

Uncontrollable | Controllable

"Operation Standard for Handling Food Safety Crisis"

Corrective/preventive measures → Output

1) Improve SOP for food safety specification of raw materials
2) Improve SOP for food safety management

◉ Cultivate a food safety culture

Uni-President actively promotes the construction of the Group's food safety culture and enhances the awareness of food safety among all staff. We organise food safety training and publish regular internal food safety weekly reports to continuously strengthen the quality awareness of frontline staff. New employees must receive food safety training before onboarding, while existing employees shall participate in food safety knowledge training at least once a year.

During the Reporting Period

The Company organised **36** food safety training sessions for employees and suppliers,

with a total of approximately **1,800** participants.

We regularly release external food safety weekly reports (**807** issues in total as of the end of the Reporting Period).

During the Reporting Period

We revamped the content of food safety weekly reports by adding a section for popularising food safety knowledge. We have also circulated food safety learning materials to all raw material suppliers to strengthen the food safety management of upstream suppliers.

We actively participated in various activities held by national industry associations. As a council member of Shanghai Food Safety Federation, we actively participated in the formulation of standards for self-heating food, and facilitated the construction of regional food safety culture. We also actively responded to the call of the national quality month and regularly organised quality/food safety enhancement activities within the Group. We also participated in the monthly quality theme activities organised by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and China Consumers Association.

During the Reporting Period

We participated in the "2023 China (Shanghai) Food Safety and Industry Development Forum" and the "2023 Food Additives Compliance and Risk Management Exchange", where we had in-depth exchanges with government, industry experts, enterprises and third-party organisations on the topics of food safety, food safety standards, and food safety risks.

Product innovation

Continuous product innovation

Under the research and development ("R&D") concept of "be comfortable to eat safe, delicious and healthy food", Uni-President focuses on consumer needs and responds to the trend of healthy food with low salt, low sodium, low sugar, and fewer additives. We develop new products and strengthen our product competitiveness to attract new generations of consumer groups. We are always committed to providing consumers with high-quality, innovative and healthy products.

Keen on "Research" and "Development" integration, we have established the Commercial R&D Institute. Through division of labour and integration of expertise, we established a R&D system focusing on food, beverage and milk tea that are supported by parties specialized in packaging materials, technology, consumer research. We optimized workforce structure to fit our strategy. Sticking to the R&D functions, we reviewed the R&D achievements and quantitative criteria, and made changes to professional career planning and promotion standards. Also, we commend and encourage relevant innovative talents in accordance with the "Product Innovation Award Standard". Meanwhile, through external technology exchange, we further strengthened the establishment of core technology and product innovation. During the Reporting Period, we continued to exert greater effort in over ten core technology projects to create technological barriers and build up core competitive advantages. As of the end of the Reporting Period, the Group's Commercial R&D Institute had **164** authorised patents.

With a focus on products, the Group's Commercial R&D Institute is constantly reforming and optimising its R&D innovation system from the consumer side. We have established a product incubation mechanism to meet the needs of Generation Z and white-collar workers in Tier 1 cities, unremittingly unleashing the Company's core strengths. This mechanism is combined with high-quality supply chains, using digital tools to incubate new products that meet the needs of emerging consumers in key scenarios.

During the Reporting Period, we strengthened consumer insights, and actively proceeded with innovations that are centred on consumer needs:

Actively conducting market research to strengthen communication with consumers and mine product concepts from the perspective of consumers.
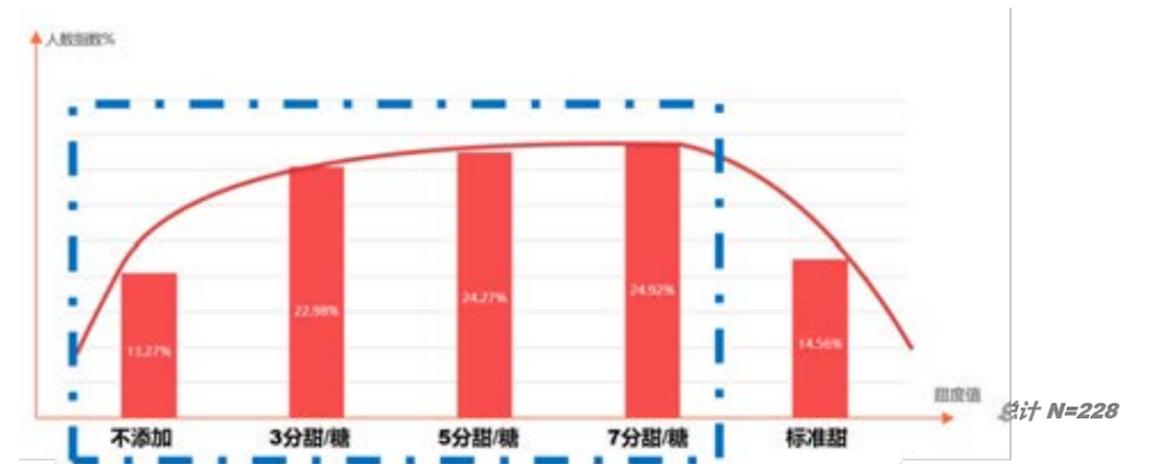
Keeping abreast of new product trends and information at home and abroad, forming street and traditional food exploring and tasting teams and communicating with R&D personnel and business unit personnel to form new product inspirations.

Arranging consumer focus group forums, taste testing and other activities to hear the opinions and suggestions from consumers after new product inspirations pass relevant internal review processes, so as to continuously optimise products.

Focus: Create new products based on street drink trends

Our market research shows that street drinks are popular among young consumers. Further analysis of this trend reveals three preferences for street drinks, namely, floral flavour, oolong tea, and sugar reduction. In 2023, to meet the market trend and consumer's demand, we launched CITEA Da Hong Pao Milk Tea and Rose Puerh Milk Tea, which were carefully blended with reference to the sweetness trend of street drinking with moderate sweetness, and have been widely praised by young consumers.

Take Responsibility to Empower
Sustainable Development

"Intelligently Make" Healthy and
Safety Food

Embrace a Low-carbon
and Green Future

Achieve Good Work-life
Balance

Pursue Win-win Cooperation
in Industry

Create Value and
Give Back to Society

During the Reporting Period, the Group launched new products that were well received by the market, such as "CITEA (希蒂)" - Da Hong Pao Milk Tea, and "Kai Xiao Zao (開小灶)" - Self-heating Series.

Product innovation achievements

"CITEA(希蒂)" - Da Hong Pao Milk Tea

Our selected Da Hong Pao Oolong Tea and High Mountain Black Tea are processed in a slow boiling way, with frozen concentrated milk preserved throughout the cold chain to retain nutrition and give the beverage a smooth taste of fresh milk. In addition, we have carefully adjusted the sweetness of this beverage based on the health demand of the new generation of consumers. We committed to achieving a perfect balance that satisfies sweetness preference while adapting to the health trend of sugar reduction and control.

"Kai Xiao Zao (開小灶)" - Private Kitchen Series

To meet the demand for one-person meals and reduce food waste, we launched the pre-made food "Kai Xiao Zao" - Private Kitchen Series. This series of products contains zero preservatives, with health as its core value and its double-peak sterilisation and fresh-locking technology has been certified by the Expert Group of the Chinese Institute of Food Science and Technology (CIFST). Moreover, a high-quality plastic wrap can be easily removed by users to enjoy food quickly. "Kai Xiao Zao - Frozen Fried Rice", cooked in a chef-tossing way, adopts high-temperature stir-frying and instant freezing technology. As such, the granular rice can retain the original flavour of rice with a moderate taste.

Pursue nutrition and health

As customers are attaching increasing importance to health and have greater needs for healthy products, we are constantly adjusting our product formula and developing new products to offer consumers healthier product choices.

Uni-President Sugar-free Jasmine Green Tea

We control the processing quality of tea and jasmine from the source. By selecting fresh jasmine and special green tea billets, and adopting the scenting technology and instant cooling patented technology, we have significantly improved the aroma extraction efficiency. In addition, instant cooling patented technology is applied to enable multi-temperature extraction and segmented cooling, bringing consumers a stronger and more pure taste. Beyond that, the Uni-President Jasmine Green Tea is more in line with modern health concepts because it contains no sugar.

"Chai Li Won (茶裏王)" - Extracted High Mountain Green Tea

Instead of traditional tea leaves, we use fresh tea juice extracted from high mountain green tea, making the product healthier and more nutritious with a unique flavour. In addition, this product can satisfy the modern consumers' pursuit of healthy living because it does not contain any sugar. Moreover, freshly extracted tea juice diversifies the usage of tea and reduces processing stages and energy consumption, which is a practice of global sustainable development. Fragrant aroma and non-precipitation technology are also adopted in the processing of high mountain green tea to provide a multi-flavoured taste. After the issues of flavour reversion and discolouration owing to precipitation are solved, consumers can enjoy a purer and better drinking experience.

External cooperation

As a member of industry association, we also participated in industry-specific technical exchanges, and maintained good cooperation with research institutes and universities in food industry, to continuously promote the integration of production, teaching and research and accelerate the transformation of technological innovation into productivity.

Establish a school-enterprise partnership

In 2023, we, together with the Shanghai Institute of Technology, set up a talent cultivation and technology innovation base in promoting research on new flavour evaluation and testing methods. We were granted the School-Enterprise Cooperation Innovation Award by the Changning District Government, becoming the only food enterprise to win the award.

Build an innovative practice base

Our practice base was recognised as a Doctor and Master Innovation Practice Base by the Shanghai Changning District Science and Technology Committee in 2023, and new hires with a Ph.D. or master's degree will be paid with a living allowance for 3 consecutive years. This recognition helps to attract more talents, promote cooperation with colleges, universities and scientific research institutions, accelerate the application of technologies and achievements, and further enhance our innovation ability.

Participate in industry standard revision

In December 2023, Uni-President participated in the conference held by the Jiangsu Tea Industry Standardisation Technical Committee. At this conference, we jointly formulated local standards, interpreted national tea policies and proposals as well as relevant standards, and reviewed the revised standards and policies.

Build smart plants

The Group deeply explores and advances corporate digital transformation. With the digital management system and automatic production line, we are building an integrated intelligent operation platform, in pursuit of standardised, refined and intelligent operation management and production and continuous improvement of production efficiency and product quality.

We carry out digital empowerment in design, procurement, production, sales and other stages, focus on business digitization, realise process connection and data sharing, and build smart plants. We independently develop the intelligent procurement system, food safety information monitoring system, food safety management system, production process quality management system and finished product delivery system to strengthen food safety management at the source of supply chain and food safety monitoring of finished products under the requirements of "Three Lines of Food Safety Defence" and "Three Checks of Quality Control". We keep trying to apply various emerging intelligent technologies, for instance, through Robotic Process Automation (RPA), suppliers are subject to 24-hour real-time monitoring and risk warning on legal disputes, credit risk, tax risk, environmental risk, operational risks, food risk, engineering risk, etc., helping the Company to strictly control risks arising from daily operation. In addition, we also explore consumer demands using artificial intelligence (AI).

Focus: Smart Plants

Our digital factory is based on supervisory control and data acquisition system (SCADA), integrated and applied with enterprise operation monitoring system, raw material traceability system, equipment management, quality management, energy data collection system, etc., to realize lean production, process automation, information digitization, management transparency, so the agility and rapid response capability of the enterprise can be improved.

In 2023, we further promoted digital transformation in the field of raw material traceability, quality management, data collection and application of manufacturing execution system (MES). Combined with code-sweeping and mobile office technology, we could monitor the production process and realize real-time quality monitoring and transparency of the production process. Through the technical means of real-time collection of equipment data, abnormal conditions push reminders, and synchronized presentation in the production signage, the paperless production site, raw materials and quality direct traceability, closed-loop management of push reminders information could be realized, which could improve product quality effectively.

For food safety, an online dashboard was applied for production and finished goods monitoring to identify risk points in the process. This tool resulted in reduced labour hours as well as higher accuracy and wider coverage of data analysis.

In the field of production and sales planning, through the independent development of production and sales planning platform system (PMS), the boundaries of marketing, production management and logistics systems can be opened up, integrates the data of production, sales and inventory, formulates production and sales plans in a refined manner. Through the visualization of electronic signage, data cloud monitoring and output of real-time progress, multi-dimensional analysis and display of production, sales and inventory indicators, we can make a rapid response to changes in business demand and optimize scheduling to ensure timely supply of products and freshness.

In the field of warehousing management, through the material management system (MTR), the raw materials' in, out, and inventory can be managed, so that we can realize raw material expiration warning and quality traceability. Finished product storage facilities are automated and stereoscopic, and through the Warehouse Management System (WMS), finished products are scanned when entering the warehouse and the lot numbers of finished products are recorded according to the storage position, and the products are shipped out according to the principle of first-in, first-out, so as to realize the systematization and informatization of the warehousing system.

In the field of logistics and transportation, through the vehicle scheduled entry and exit management system, we realize the whole process of online operation and cloud monitoring from order processing to customer signing, which improves the efficiency of logistics and shortens the delivery time. We also realize the transparent management of business orders, and build a "logistics service channel" through the Dingtalk system, which provides real-time tracking of business orders, saves the time of customer communication, improves the sense of customer experience and realizes the data sharing through the batch management channel to improve the accuracy of product traceability.

Through the modes of "independent design and modification, external collaboration, and cross-border application", we have also collaborated and innovated with external equipment manufacturers, and successfully developed and imported a number of technological equipment, such as the upgrading of automation equipment for the packaging section of the barrel noodle line, automatic gluing equipment for hot melt adhesive machines, gift box packaging equipment for CAN products, and marking and inspection machines, etc, so as to steadily push forward the upgrading of automation of the production line.

Upgrading of automation equipment for the packaging section of the barrel noodle line

By upgrading the automation equipment in the packaging section of the barrel noodle line, we reduce the labour intensity of personnel, improve the working environment in the workshop, and improve the quality of products.

Automatic gluing equipment for hot melt adhesive machines

We self-developed and designed automatic gluing equipment, realizing the packaging machine automatically add hot melt adhesive, reducing the labour intensity of employees and improving the quality of carton sealing.

Gift box packaging equipment for CAN products

The introduction of beverage can products gift box packaging machine can realize the automated production of canned milk tea gift boxed, improving production efficiency, at the same time, reducing the labour intensity of personnel.

Marking and inspection machines

The introduction of bottle cap coding inspection machine can realize the automatic detection and rejection of coding defects, reducing manual inspection of coding defective products, and reducing the labor intensity of personnel and improving product quality.

Embrace a Low-carbon and Green Future

The Group actively responds to the national strategy of "promoting green development and harmonious coexistence between human and nature", pays attention to the latest development trends of various environmental issues, and acts as responsible corporate citizens to protect the environment. Adhering to the concept that enterprise benefits and environmental protection are equally important, we practice green production, and promote circular economy to assist the realisation of a circular economy and "carbon peaking and carbon neutrality" goal. We actively take all kinds of environmental-friendly actions to promote environmental protection and sustainable development.

The UN Sustainable Development Goals we have attended to

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Medium and long-term environmental objectives

2023 achievements

Wastewater

Gradually decrease the intensity of wastewater discharge and realize a **14.0%** decrease by 2025 as compared to 2020.

Wastewater discharge intensity in 2023 is **1.77** tonnes per tonne products, a drop of **13.9%** compared to 2020 (2.06 tonnes per tonne products).

Energy

Gradually decrease the intensity of energy and realize a **12.0%** decrease by 2025 as compared to 2020.

Energy intensity in 2023 is **0.42** MWh per tonne products, a decrease of **14.4%** compared to 2020 (0.49 tonnes per tonne products).

Water

Gradually decrease the intensity of water and realize a **12.0%** decrease by 2025 as compared to 2020.

Water intensity in 2023 is **2.82** tonnes per tonne products, a decrease of **11.3%** compared to 2020 (3.19 tonnes per tonne products).

Scope 1 and scope 2 GHG

Gradually decrease the intensity of scope 1 and scope 2 GHG emission and realize a **12.0%** decrease by 2025 as compared to 2020.

Scope 1 and scope 2 GHG emissions intensity in 2023 is **0.1596** tonnes per tonne products, a decrease of **13.5%** compared to 2020 (0.1846 tonnes per tonne products).

Hazardous waste

Gradually decrease the intensity of hazardous waste discharge and realize a **30.0%** decrease by 2025 as compared to 2020.

Hazardous waste discharge intensity in 2023 was **0.0596** kilogrammes per tonne products, a decrease of **31.8%** compared to 2020 (0.0874 kilogrammes per tonne products).

Non-hazardous waste

Gradually decrease the intensity of non-hazardous waste discharge and realize a **20.0%** decrease by 2025 as compared to 2020.

Non-hazardous waste discharge intensity in 2023 was **15.7** kilogrammes per tonne products, a decrease of **25.0%** compared to 2020 (21.0 kilogrammes per tonne products).

Environmental management mechanism

The Group strictly abides by the environmental protection laws and regulations of the PRC, including but not limited to "Environmental Protection Law of the People's Republic of China". We adopt overall environmental management to strictly control environmental resources and emissions by implementing such management systems as ISO 14001 Environmental Management System and Cleaner Production Management System, as well as through environment-related standards as "Environmental Factor Identification and Evaluation Management Procedure" and "Wastewater, Waste Gas and Boundary Noise Management Procedures". The headquarters and plants of the Group all set up environmental management functional departments to implement environmental performance management and hierarchical management mode. The headquarters of the Group is responsible for planning and promoting environmental management, while each plant is responsible for implementing various plant-specific environmental management measures. Starting from the two aspects of technology and management, the Group continues to introduce new technologies, new equipment and new processes, and gradually advances to standardization, systematization and intelligence.

The Group actively promotes the certification of all plants under various management systems to improve its environmental management level. To pass the certification under the cleaner production management system, we take measures to achieve cleaner production and emission reduction; for ISO 14001 Environmental Management System Certification, we engage external professional counselling institutions to help build up all staff's awareness of environmental protection and to constantly enhance our environmental governance capacity; for ISO 50001 energy management system certification, we follow the management requirements of the standard to establish an comprehensive and effective energy management system within the Group. We actively apply for water-saving enterprise certification and continuously improve our water-saving technology and water use efficiency. To successfully apply for green factory certification, we have established a sound production management system in accordance with the "General Principles for Assessment of Green Factory" and other national standards, so as to improve the performance of energy, resource input and other aspects. During the Reporting Period, 12 plants were certified as green factories, among which 4 plants in Wuhan, Shaanxi, Guangzhou and Guiyang were certified as national green factories and 8 plants in Kunshan, Hefei, Jinan, Changsha, Changchun, Zhengzhou, Changbaishan and Shenyang were certified as provincial green factories.
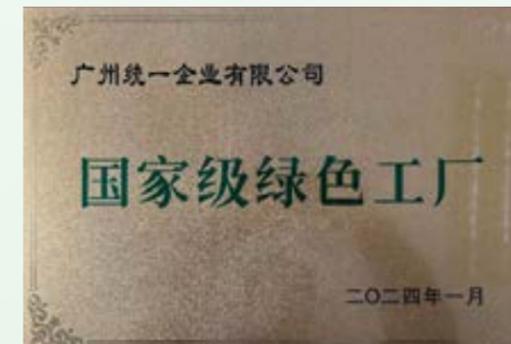
During the Reporting Period, **4** plants were certified as national green factories and **8** plants were certified as provincial green factories.

Certificates of Environmental Management System, Energy Management System, and Green Factory

Climate change and energy management

Climate change is a major challenge for all mankind, which affects the well-being of people around the world and the long-term development of all countries. In active response to the major national goal that "China will strive to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060" and pays close attention to relevant national policies and dynamic development trends on climate change, the Group endeavours to reduce greenhouse gas emissions to support the 1.5°C temperature control target of the "Paris Agreement" by formulating effective emission reduction strategies and continuously increasing the proportion of renewable energy.

Risk identification and response

In order to strengthen our control over climate risks, we referred to the "Recommendations of the Task Force on Climate-related Financial Disclosures" issued by the Task Force on Climate-related Financial Disclosures (TCFD) in June 2017, and comprehensively assessed and reviewed the impact of climate change-related risks and opportunities on our businesses according to the proposed framework of climate change-related information disclosure, and then formulated short-, medium- and long-term coping strategies for climate change issues so as to deal with the impact of climate change risks.

⊙ Climate change risks and opportunities

With reference to TCFD recommendations and risks, opportunities and responses to climate change at home and abroad concerned by the food manufacturing industry, we have sorted out the risks and opportunities that are the most relevant to the Group and discussed with functional departments to formulate relevant management strategies and objectives.

Risk type	Risk description	Potential impact	Period of impact	Financial impact assessment	Response measures	Management goals
Physical risks	The frequency and severity of extreme weather and natural disaster events such as typhoons, floods and droughts have increased	The increased probability of extreme weather events may disrupt the supply chain of raw materials, or increase the number of days for storing raw materials and products, or cause damage to our plants and equipment, losses of raw materials or products and difficulties in delivering raw materials or products due to road interruption, or even the power suspension or water cut-off, affecting the production of products	Short term (less than 3 years)	·Increase the number of days for storing raw materials and products, which results in higher costs due to renting additional warehouses ·Higher warehousing and transportation costs because the transportation of raw materials or products is blocked ·Impairment of assets arising from damage to equipment ·Higher operating costs and lower revenue due to losses of raw materials and products	·Change the production sequence or implement interplant transfer production or production reduction measures based on material and water shortage ·Prioritise the production of products using raw materials with shorter storage life ·Set up an energy emergency response team, formulate the Guidelines for Energy Emergency Response Plan and emergency operation procedures, and accordingly deal with energy supply emergency issues (including water, electricity, natural gas, air compressor, steam and other energy in production and operation activities) ·Lease electricity generators to deal with power suspension ·Secure plants with disaster damage insurance to reduce financial impact ·Formulate emergency response mechanism and conduct regular risk assessment ·Keep a running stock of raw materials for 1-2 months ·Increase the proportion of local procurement to lower the risk of production suspension caused by logistics disruption	·Monitor resource utilisation and continuously optimise the management mechanism for contingency measures ·Continue to optimise the energy and resource utilisation efficiency of each plant, and actively introduce energy-saving and water-saving projects ·Prioritize local suppliers and introduce raw material suppliers from various regions ·Improve the management of source safety and reduce the risk of raw material sourcing ·Monitor and improve alternatives of imported raw materials
Physical risks	Temperature rise	Temperature rise will increase people's reliance on air conditioning and other refrigeration equipment, causing a huge increase in energy use. Meanwhile, the increase of power consumption on a large scale will bring heavy load to the power grid, which may cause power rationing or outage and further affect normal production. In addition, high temperature will also make it more difficult to store and transport food and beverages.	Long term (five years and more)	·Expenditures on energy will increase as the energy consumption grow, leading to higher costs ·Power rationing or outage will cause damage to raw materials and products, thus resulting in higher operating costs and lower revenue ·Additional equipment will be needed to satisfy higher requirements on product storage and transportation, which will increase the operating costs.	·Downtimes are planned considering the local quota to maximise production with the quota provided. At the same time, based on prediction for the power restriction situation, the production, sales and logistics units of the headquarters and central and regional plants should adjust the production plans flexibly and conduct drills on cross-plant and cross-regional goods transfer ·Lease electricity generators to deal with power suspension ·Introduction of photovoltaic green energy ·Upgrade and replace to equipment with lower energy consumption	·Continuously expand the scope of photovoltaic power generation in the plant area ·Explore the possibility of other renewable energy application
Physical risks	Sea level rise	Sea level rise will lead to more severe impact of natural disasters such as floods and typhoons on coastal areas, aggravate social and economic risks there, and cause disruption of our raw material supply chain and road cut-off, which hinders the transportation of raw materials or products	Long term (five years and more)	·Impairment of assets arising from damage to equipment ·Higher operating costs and lower revenue due to losses of raw materials and products	·Secure plants with disaster damage insurance to reduce financial impact ·Conduct regular risk assessment on operation sites	·Avoid selecting locations prone to flooding as plant sites ·Introduce raw material suppliers from various regions ·Improve the management of source safety and reduce the risk of raw material sourcing

Risk type	Risk description	Potential impact	Period of impact	Financial impact assessment	Response measures	Management goals
Transformation risks	Enhanced requirements for products and services and for supervision	With the increasing attention to supervision and environment-friendly products, relevant regulations may be promulgated for product labelling, or for reducing use of plastic packaging and conducting carbon footprint investigation. Failing to comply with the regulations on product labelling may constitute as violations and lead to penalties. The plastic reduction plan for packaging materials of products and the introduction of carbon management tools will increase our R&D cost and product carbon management expenses.	Medium term (3 to 5 years)	·Violations of statutory requirements will lead to penalties, resulting in higher operating expenses ·The costs for products' carbon footprint certification will lead to increased operating expenses ·R&D of alternative materials and packaging will increase operating costs, but the new lightweight products will reduce waste disposal costs	·The Commercial R&D Institute, Food Safety Management Office and Production Management Office keep abreast of new policies on packaging and labelling in real time, and proactively respond to the new labelling requirements ·A "Packaging and Labelling Review Process" is established to force the review of packaging and labelling by various business groups, Commercial R&D Institute, marketing planning offices, production plants and product management units to avoid inappropriate labelling and marketing ·Commercial R&D Institute conducts R&D on lightweight and substantive product packaging materials	·To ensure product labeling complies with the relevant regulatory standards ·Introduction of the most suitable, environmental-friendly and functional packaging materials
Transformation risks	Climate-related policies	China's "carbon peak and carbon neutrality" commitments and related policies and regulations will give impetus to the carbon reduction objectives to be set by and actions to be carried out of enterprises. In this context, the structural adjustment on the production side and dual control of energy consumption are the main themes of future energy policies. In addition, China may levy carbon emission fees in the future, and other countries will also levy carbon taxes. All these may lead to an increase in our energy costs, impacting production and product competitiveness.	Medium term (3 to 5 years)	·Paying carbon emission fees results in increased operating expenses ·Paying penalties for violations results in increased operating expenses ·Increased provision for equipment depreciation and amortisation (installation of renewable energy equipment), operating costs (purchase of renewable energy electricity certificates) or operating expenses as a result of the structural adjustment on the production side.	·Downtimes are planned considering the local quota to maximise production with the quota provided. At the same time, based on prediction for the power restriction situation, the production, sales and logistics units of the headquarters and central and regional plants should adjust the production plans flexibly and conduct drills on cross-plant and cross-regional goods transfer ·Annual status quo reviews and performance assessment of energy use and GHG emissions will be conducted ·Introduction of energy conservation and carbon reduction initiatives ·Introduction of photovoltaic green energy	·Continuously expand the scope of photovoltaic power generation introduction in the plant area: select areas not prone to typhoon, to install concrete roofs as the first choice. It is planned to complete installation for the nation-wide 24 production bases that can be connected to the grid by 2030 ·Establish medium and long-term carbon reduction targets. The density of scope 1 and scope 2 GHG emissions by 2025 will be reduced by 12.0% compared to 2020
Transformation risks	Concerns of Stakeholders	External Non-Profit Organizations (NPO) and Non-Governmental Organizations (NGO) actively advocate and promote carbon reduction, non-plastic products and related actions, so as to promote consumers' awareness of sustainability and change their consumption behaviour. Failing to respond promptly and launch related products will affect the sales of products. Facing the pressure of many sustainability ratings, a poor performance in sustainability ratings may affect investors' willingness to invest and consumers' perception of our brand.	Medium term (3 to 5 years)	·Poor brand image in sustainability or lack of sustainable products will affect consumers' willingness to purchase, resulting in a decrease of revenue ·Poor performance in sustainability rating reduces investors' willingness to invest, which in turn leads to higher borrowing costs	·In terms of products, continuously invest in R&D of novel high-nutrition health-care products and relevant production processes and technologies ·Actively conduct research, develop and promote lightweight packaging materials ·Questionnaires are conducted regularly to understand the issues that stakeholders are concerned about ·Proactively manage sustainability rating	·Continuously improve and refine quality products ·Introduce the mostly suitable, environmental-friendly and functional packaging materials ·Continuously manage the Company's performance in sustainability

Risk type	Risk description	Potential impact	Period of impact	Financial impact assessment	Response measures	Management goals
Transformation risks	Management of stable raw material supply	Climate change may affect the stability of raw materials supply, causing the cost of raw materials to increase or the supply chain to be interrupted. Therefore, we need to improve the diversity of raw materials sources and increase the stability of supply chain sources to cope with different risk situations.	Medium term (3 to 5 years)	·Unstable supply price of raw materials results in higher operating costs ·The selection and R&D of alternative raw materials results in higher operating costs	·Management of raw material source reliability ·R&D of substitutes to raw materials ·Maintain stability of supply chain (e.g. preparation and development of alternative materials, regular communication with suppliers to keep abreast of source status) ·Formulate alternative plans for imported materials to address the risks in overseas logistics	·Establishment of multi-area raw materials supply ·Improve the management of source safety and reduce the risk of raw material sourcing ·Monitor and improve alternative plans of imported raw materials
Opportunities	Efficiency of resource utilisation	Promote the efficiency of production processes, machinery and equipment, and logistics, and improve the process to elevate product yield, so as to reduce food waste, hold down medium and long-term operating costs, contribute to circular economy and enhance brand power.	Medium term (3 to 5 years)	·Improve energy efficiency and reduce operating costs ·Brand power is enhanced and revenue is increased	·Improve production process to reduce raw material consumption ·Introduction of energy conservation and carbon reduction initiatives ·Expand the possibility of recycling non-hazardous waste in the future	·Continuously improve production process ·Increase the recovery rate of waste resources
Opportunities	Application of renewable energy	With the rapid decline in cost of distributed clean energy and the increase in energy reserve capacity, we can expand the application of renewable energy at lower cost, thereby reducing annual energy costs and medium to long term operating costs, and increasing consumers' perception of the brand's sustainability.	Medium term (3 to 5 years)	·Improve energy efficiency and reduce operating costs ·Brand power is enhanced and revenue is increased	·Introduction of photovoltaic green energy	·Continuously expand the introduction scope of photovoltaic power generation in the plant area ·Explore the possibility of other renewable energy applications
Opportunities	R&D of new sustainable products	Actively responding to the initiatives of external Non-Profit Organizations (NPO) and Non-Governmental Organizations (NGO) and the demand of consumers for sustainable consumption and introducing new sustainable products will enable us to quickly penetrate into new markets, increase product sales capacity and expand our market share.	Medium term (3 to 5 years)	·Increase in revenue ·Enhance brand power	·In terms of products, continuously invest in R&D of novel high-nutrition health-care products and relevant production processes and technologies ·Actively explore environmental-friendly packaging materials	·Continuously improve and refine quality products

Energy conservation and carbon reduction action

To respond to the UNSDGs and support the country to realise a circular economy and the goal of "carbon peaking and carbon neutrality", the Group has set a clear emission reduction and energy conservation target of "gradually reducing both scope 1 and scope 2 greenhouse gas emissions intensity and energy intensity by **12.0%** by 2025 as compared to 2020". This requires enterprises to place equal emphasis on corporate growth and environmental protection and practise green development.

The Group is committed to reducing carbon emissions through the following measures:

Improve the level of environmental management and energy consumption management by promoting energy management and environmental management certification to realise carbon emission reduction on the management side.

Identify emission reduction areas and achievable targets through carbon inventory and carbon footprint certification.

Accelerate energy transition by using cleaner energy to reduce emissions on the energy side.

Improve energy efficiency and reduce energy consumption in production to reduce emissions on the consumption side.

Strengthen green packaging management by reducing packaging and purchasing green packaging materials to reduce emissions on the packaging side.

GHG emissions of the Group in the Reporting Period is showed as below:

Indicators	2023	2022	2021
Direct (Scope 1) GHG emissions (tCO$_2$e)	187,547	132,002	109,811
Energy indirect (Scope 2) GHG emissions (tCO$_2$e)	457,572	515,008	482,159
Total GHG emissions (tCO$_2$e)	645,119	647,010	591,970
GHG emission intensity (tCO$_2$e /ton products)	0.1596	0.1650	0.1715

Notes

1.GHG emission intensity is presented in "ton of product" based on "product weight".

2.In the Reporting Period, GHG emissions are calculated according to the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" issued by the NDRC, the "2019 Guidelines for National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change, the "How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx, the "Average Carbon Dioxide Emission Factors of China's Regional Power Grids in 2011 and 2012" issued by the NDRC and the 2022 average national grid emission factors issued by the Ministry of Ecology and Environment.

3.In the prior Reporting Periods, the Group's greenhouse gases mainly came from natural gas, purchased electricity and purchased steam. During the Reporting Period, to enhance the completeness of carbon inventory, the Group added new emission sources such as liquefied petroleum gas for canteens, gas/diesel for official vehicles, diesel for generators, fugitive methane from wastewater treatment plants, fugitive refrigerant from air-conditioning and refrigeration equipment, and baking soda.

⊙ Build energy and environment management system

The Group strictly abides by the "Energy Conservation Law of the People's Republic of China", "Cleaner Production Promotion Law of the People's Republic of China" and other relevant national laws and regulations during the business operation. We implement systematic energy management and promote the certification of ISO 50001 Energy Management System in all plants. The Group established energy teams at the headquarters and each plant to implement energy performance target management and to control energy consumption. The Group responds positively to national policies and manages according to the medium and long-term energy management targets that have been set. We actively explore the application of new technologies and new equipment to increase energy efficiency.

The Group's headquarters develops technical energy conservation plans in an integrated manner, and the plants actively implement energy conservation and consumption reduction measures to strictly control energy use. In 2023, we invested approximately RMB 22,751,000[1] (increased by 8.5% compared to 2022) in energy conservation and carbon reduction, mainly for energy conservation projects such as magnetic-levitated ice water machines, high-efficiency boilers, and energy saving units of steam cabinets.

In addition, in response to China's increasingly tightened dual control policy on energy consumption, the Group provides guidance on emergency response to exceptional supply of resources in accordance with the "Guidelines on Emergency Response to Energy Supply Exceptions", and established an emergency response team for energy supply exceptions headed by the plant manager, formulate emergency operation procedures for energy supply exceptions, and conducted emergency plan drills to ensure that the plants are able to respond in a timely and orderly manner in case of energy supply exceptions, so as to ensure reliable supply and reduce losses to the greatest extent.

[1]The statistics cover investments in energy saving, technical improvements with energy-saving benefits and investments in quality improvement, excluding investments in new bases and new production lines

Carbon inventory and carbon footprint verification

In response to the overall deployment of the national pilot project on carbon emissions trading, we have actively carried out carbon inventory. Through continuous improvement in management and technology, we have formed a production mode combining resource conservation and environmental protection, to build green and eco-friendly plants, and help to achieve the goal of "carbon peaking and carbon neutrality".

Focus: carbon inventory and carbon footprint verification

In order to promote our employees' knowledge and capability on GHG inventory, we invited an external third-party ESG expert team to organize three "Carbon Emission Verification and Forensics Training" sessions to popularize greenhouse gas knowledge and publicize the requirements for carbon emissions verification, with 440 participants from our subsidiaries nationwide and a total of 880 hours of training.

In order to convey the brand concept of "making tea by heart" and correspond to the trend of green and low-carbon, the Group takes "Chai Li Won Baked Green Tea (420 ml)" as a pilot product to promote the carbon footprint verification of products. We calculate the carbon footprint (Scope 1 - 3) of the product in five stages, namely, raw materials collection, production & manufacturing, selling, using and waste disposal, to provide basic data support on green design improvement and improve the environmental friendliness of this product. "Chai Li Won Baked Green Tea (420 ml)" has been granted the "carbon footprint certificate".

Utilise clean energy

Compared with conventional energy, clean energy can significantly reduce greenhouse gas emissions, which is critical to slowing down global warming and reducing the frequency and intensity of extreme weather events. We actively respond to the nation's call for accelerating the construction of a clean, low-carbon, safe and efficient energy system, promoting the construction of photovoltaic power generation in plants and increasing the proportion of clean energy to continuously optimise our energy structure.

Utilise clean energy

Introduce green energy - photovoltaic power project

We are gradually increasing the installation of rooftop photovoltaic systems, and planning to complete the installation and grid connection of the systems in all production bases with qualified installation conditions by 2030. It is projected that these systems will generate a total of 10% of the Company's total electricity consumption, significantly reducing our dependence on conventional electricity.
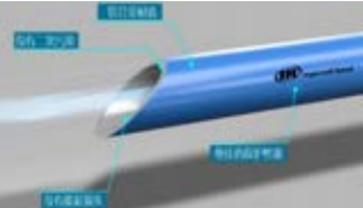
In 2023, we further accelerated the process of this green energy project by introducing photovoltaic power generation projects in seven additional plants in Shanghai, Tianjin and Hefei. At present, these projects have successfully realized grid-connected power generation. As of the end of the Reporting Period, we have successfully introduced photovoltaic power generation systems in a total of 14 plants, generating approximately 14,188 MWh of electricity in 2023, which will reduce carbon dioxide emissions by approximately 10,553 tons, making a significant contribution to the Company's green development and environmental protection.

Improve production technology

We continue to upgrade or optimise production equipment control systems and equipment technology, to reduce energy consumption and waste from production capacity to energy consumption, thereby reducing carbon emissions.
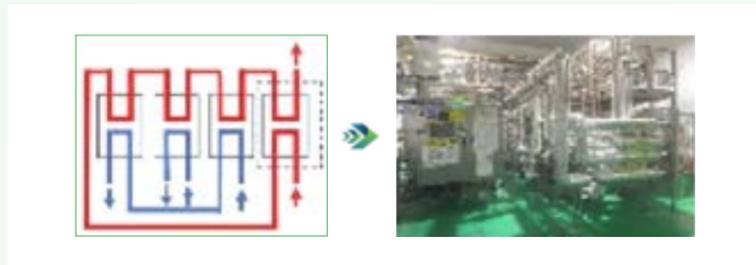
Major production technology improvements	Project description and results
Production capacity — Boiler and steam supply system optimization for steam savings	We have improved the boiler steam production ratio through the introduction of high-efficiency boilers and optimization of operating parameters. We have reduced steam piping losses through optimization of piping, reduction of blind piping and improvement of insulation. Through the above measures, the annual steam saving is about 14,000 tons.
Low pressure air compressor introduces cloud intelligent control system, saving power consumption	We built a digital management system of cloud intellectual control on the AliCloud platform. Its functions include: data collection, analysis, calculation, etc.; and it can automatically match the loading rate of the operating equipment of the air compressor according to the changes in gas consumption, flow demand and rated gas production. The pilot renovation was completed in April 2023, which can realize energy saving of about 3.6%, and an annual saving of electricity consumption of about 154 MWh.

Major production technology improvements	Project description and results
Energy transport — Low-pressure pneumatic piping is introduced into the aluminium alloy super piping to save electricity	We use aluminium alloy material for the superpipe, coated with epoxy resin on the outside, and the inside of the pipe is specially treated to prevent the pipe from being oxidized. Through the optimized settings of full pass diameter and internal infusion, we can reduce the resistance to the flow of air, so that the pressure drop of the pipe will be reduced to a minimum to achieve the optimal flow rate. The pilot renovation was completed in 2023, and the annual saving in electricity consumption was about 206.9 MWh.
Energy-using — Introducing environmentally friendly chilled water dispensers to reduce electricity consumption and carbon emissions	We have added new magnetic levitation ice and water dispensers at our Guangzhou and Hefei plants, significantly reducing the use of non-environmentally friendly refrigerants and, as a result, reducing annual CO_2 emissions by approximately 4,716 tons. In addition, we introduced automatic tower water dosing equipment, reducing the amount of empty plastic drums generated by 3.3 tons and lowering the electricity consumption of ice and water dispensers, further reducing annual CO_2 emissions by approximately 5,122 tons.

Major production technology improvements	Project description and results

We have optimized the equipment hardware modification and process adjustment to lead the product after sterilization and keeping cooling to the inlet of the sterilizer to improve the heat exchange efficiency and save the steam consumption; the renovation in the Nanchang plant has been completed in February 2023, which will save the steam consumption of approximately 1,094 tons per year.

Milk drink sterilizer products heat transfer energy saving modification, saving steam consumption

We introduced hot steam from the steamer into a vacuum evaporation system powered by a Roots fan and recycled the steam using steam regeneration technology. This reduces steam flow from the steamer by 260 kg/hour and reduces steam usage by approximately 11,537 tons per year.

Energy-using

Energy saving device for food steamer, saving steam usage

We use our own optimized equipment linkage control program to set up equipment running time setting parameters in the calendering and oil pot sections, avoiding equipment start-stop standby idle energyconsumption. In 2023, we have completed the renovation of 26 production lines across China, with an annual power saving of approximatelyt 555 MWh.

Optimization of equipment linkage in the food manufacturing section to save power consumption

Energy Consumption of the Group during the Reporting Period is shown as below:

Indicators	2023	2022	2021
Natural gas (MWh)	730,169	660,205	549,216
Total direct energy consumption (MWh)	730,169	660,205	549,216
Electricity (MWh)	457,954	435,127	395,850
Purchased steam (MWh)	516,396	624,785	602,860
Total indirect energy consumption (MWh)	974,350	1,059,912	998,710
Total energy consumption (MWh)	1,704,519	1,720,117	1,547,926
Energy consumption intensity (MWh/ton products)	0.42	0.44	0.45

Note

1. Energy consumption intensity is presented in "ton of products" based on "product weight".

2. Energy consumption is presented in MWh (KWh in '000s). Calculation method and conversion factors come from the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" and "Accounting Method and Reporting Guideline of GHG Emissions for Other Industrial Enterprises (Trial)" released by the National Development and Reform Commission (NDRC).

⊙ Use green packaging materials

To further reduce carbon emissions across the value chain, we purchase environmentally friendly packaging materials from the upstream supply chain, adopt aluminium foil-based packaging materials for products, implement the plan on lightweight packaging materials, and cooperate with the upstream suppliers on recycling and using raw material packaging cartons. For specific information on the Group's use of green packages, please refer to the " 3.3.2. Green packaging materials management" section of this report.

Resources management

Water resource management

The Group's production and operation activities are closely related to water resources. In terms of the water use, we focus on two aspects: increasing sources while reducing utilization, and water recycling. The energy team of the Group continuously monitors and manages water performance and evaluates and assesses the unit water consumption per product on a regular basis.

The Group has set a medium and long-term goal for water resources:

Gradually reduce the intensity of water consumption and realize a **12.0%** decrease by 2025 as compared to that of 2020. Based on this goal, we set a target value for each plant's unit water consumption and continue to improve water efficiency through management improvements, technological optimization and leakage prevention. In 2023, the Group invested approximately RMB 4,955,000 (increased by 6.2% compared to 2022) in water resource management. Through investment in water resources conservation, we annually saved water about **260,000** tonnes. By the end of the Reporting Period, 23 plants had been certified as provincial or municipal "Water Saving Enterprises".

Zhengzhou and Jinan plants were honoured as "Provincial Water-saving Enterprises"

Water consumption of the Group during the Reporting Period is shown as below:

Indicators	2023	2022	2021
Water (tons)	11,416,744	11,155,247	10,006,047
Water consumption intensity (tons/ton products)	2.82	2.85	2.90

Note

1. Water intensity is presented in "ton of product" based on "product weight".

2. During the Reporting Period, the Group's total municipal water supply was 10,619,166 tonnes and groundwater abstraction was 797,578 tonnes.

The Group obtains water resources mainly from the municipal water supply and the underground water, the use of which is supervised by relevant local government authorities. The Group did not have any issue in sourcing water during the Reporting Period.

○ Shorten the time of dairy beverage production to save water

We optimise the time of dairy beverage production to reduce the exchanges during production, increase productivity and reduce water consumption. In 2023, plants in Jinan, Hefei and other places realised the improvement, with an expected annual water saving of 19,000 tonnes.

○ Conduct water-saving projects in tomato production lines in Hutubi plant to reduce water usage

As the tomato production process in Hutubi plant consumed plenty of water, we have set up a project team composed of headquarters and local managers. Through implementing a series of water saving measures, including using primary circulating water for rotary drum filter spraying, recycling cooling water for circulating pumps and vacuum pumps, installing a defoaming system, and using reclaimed water to replace cleaning water used for mud press filter cloth and sewage microfilters, the goal of saving more than 51,000 tonnes of water annually was successfully achieved.

Green packaging materials management

The Group actively responds to the international trend of plastic reduction and domestic environmental protection policies. A packaging R&D working group is committed to reduce the usage of packaging materials while consuming more environmental-friendly materials. The working group regularly reviews the feasibility of existing packaging materials' optimization, and studies and verifies possible paper and plastic reduction schemes, so as to gradually reduce the use of resources and promote the use of sustainable packaging.

The Group actively selects environmentally friendly (i.e. harmless, pollution-free and renewable) packaging materials for the outer packaging of products. We use FSC (Forest Stewardship Council) certified aluminium foil paper packaging materials. In 2023, the Group consumed environmental paper packaging materials weighing approximately 1,658 tonnes.

In terms of the use of product packaging materials, under the premise of ensuring food safety and quality, we actively explore the reduction of packaging materials, continuously optimizing and upgrading production processes and material structures at the design stage, as well as strict controlling over the loss rate of packaging materials, and reducing the use of packaging materials such as product cartons, paper bowls, plastic and wrapping film at the production stage. In the Reporting Period, approximately 2,239 tonnes of packaging materials were reduced by using light-weight packaging materials.

We also actively cooperate with upstream suppliers to recycle and reuse the used raw material cartons, reduce the use of cartons and use plastic turnover boxes, reducing the use of packaging cartons by approximately 1,624 tonnes in 2023, reduced the burden on the environment, while the protection quality and usage requirements are met at the same time.

In 2023, the Group consumed environmental paper packaging materials weighing approximately **1,658** tonnes

Approximately **2,239** tonnes of packaging materials were reduced by using light-weight packaging materials

Reduced the use of packaging cartons by approximately **1,624** tonnes

Packaging material consumption of the Group during the Reporting Period is shown as below:

Indicators	2023	2022	2021
Total packaging materials consumption for finished products (tons)	446,437	436,078	390,955
Packaging materials consumption per unit of production (tons/ton products))	0.0999	0.1000	0.1013

Note

1. Packaging materials consumption per unit of production intensity is presented in "ton of product" based on "product weight".

Green packaging materials management

Reuse packaging materials, reducing paper usage

In 2023, we took several measures to reduce the waste of packaging materials. Our plants in Xinjiang, Hefei, Tianjin and other places recycled old cartons of about 1,237 tonnes. Changsha plant implemented a recycling scheme to reuse plastic turnover boxes of paper bowl containers, achieving about 50 cycles of plastic turnover boxes, and reducing carton consumption by about 387 tonnes.

Optimize carton structure and reduce paper usage

We optimized the carton of "Kai Xiao Zao" from BC-tile double-corrugated to B-tile single-corrugated, and increased the overall compressive strength through the optimization of the rocker cover structure to meet the demand of the product access. We also optimized the paper distribution of the soy sauce mixing bowl noodle carton to save the amount of paper. Through the measures above, we reduced the amount of paper used in carton by about 270 tons.

BC-tile double-corrugated   B-tile single-corrugated

Optimize carton printing design to reduce ink usage

We adjusted the instant noodle carton from full-page printing to partial printing, returning to the original colour of the paper and reducing the ink consumption. We optimized the printing process of the carton from full-page and varnish printing process to partial and varnish-less printing process through the optimization of the printing process of the "Classmate Xiaoming" carton to reduce the use of printing oil resources. Through the measures above, the reduction of carton ink and varnish consumption was about 238 tons.

Emissions management

The Group strictly abides by the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", the "Water Pollution Prevention and Control Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and other relevant laws and regulations. The wastewater, waste gas and solid waste generated during production and operational activities by each plant all have been reasonably and effectively treated to meet the discharge standards of the national and local environmental authorities.

Wastewater and gas emissions management

Through the "Management Program of Sewage, Waste Gas and Plant Noise" and the "Environmental Factor Identification and Evaluation Management Procedure", the Group specifies the requirements for production, management and emission control of wastewater, waste gas, and plant noise. With regard to equipment management, we, following the "Operational Standards on Boilers and Water Quality Management" and the "Operational Standards on Sewage Treatment" and other relevant standards, specify the operating procedures, daily inspection, operational record, and repair and maintenance policy for each equipment to ensure the treatment facilities are properly used. In 2023, we invested approximately RMB 15.017 million for emissions and pollution control, an increase of 10.3% from 2022. The invested funds are mainly used for purchasing or upgrading environmental protection and emission reduction equipment, including beverage peroxyacetic acid (PAA) recycling devices, low-NOx boiler retrofit, wastewater online monitoring equipment, and food fume treating equipment.

The Group has set a medium and long-term wastewater discharge management target:

Gradually decrease the intensity of wastewater discharge and to realize a **14.0%** decrease in the intensity of wastewater discharge by 2025 as compared to 2020.

Every plant of the Group is equipped with a sewage treatment plant. Wastewater is treated up to the standard by using "pre-treatment + biological treatment + aerobic treatment" technology and then discharged into the municipal sewage network. We monitor wastewater indicators through online monitoring system, manual testing and third-party testing. On emissions into the atmosphere, we implement low-NOx boiler retrofit , equip the volatile organic compounds (VOCs) treatment facilities, and conduct third-party testing for relevant exhaust indicators to ensure compliant emissions.

We have developed an internal early warning mechanism and contingency plan for emissions to take early warning control of all discharged pollutants. We set 80% of the standard limit value as the early warning value. In case the actual discharge value exceeds the early warning value, we will immediately launch the relevant contingency plan and take effective measures to ensure we meet the standards in pollutant discharge. During the Reporting Period, the Changsha plant upgraded the online monitoring facilities for wastewater; wastewater treatment station pumps, air flotation machines, dosing equipment, pH/temperature monitoring and other equipment in Fuzhou and Chongqing plants are connected to the centralized wastewater treatment control system, which effectively monitors the operating status of the equipment; and the Wuhan plant introduced the "Intelligent Cloud Assistant" platform, which enabled real-time monitoring and early warning notifications via WeChat on smartphones, effectively improving the supervision of pollutant discharge and the emergency response speed.
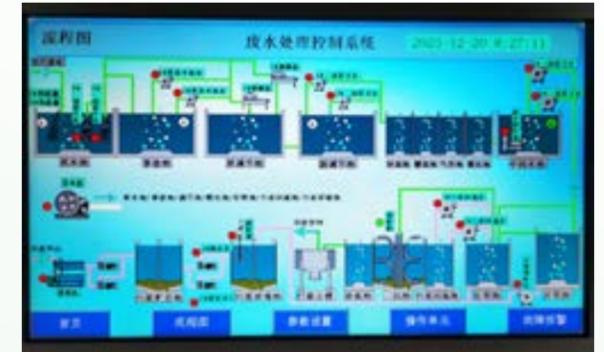
Types of emissions and respective data of the Group during the Reporting Period are shown as below:

Indicators	2023	2022	2021
Wastewater (tons)	7,159,846	7,094,516	6,402,699
Chemical oxygen demand (tons)	481	473	426
Nitrogen oxides(tons)	38	43	46

Pollutant reduction measures

Promote water recycling, reducing wastewater discharge

Through data analysis, we accurately control the surface level of sterile water, RO water tanks, hot water tanks, etc., to reduce wastewater discharges. At our Hangzhou plant, we test the special lubricants for beverage conveyor belts to reduce lubrication water. We also continue to promote the reuse of reclaimed water and condensed water in all plants across China. Through these measures, wastewater discharges will be reduced by approximately 189,000 tonnes annually.

Low-NOx boiler retrofit to reduce emissions

We carry out low-NOx upgrading of boilers in factories in Shaanxi and Aksu to reduce the concentration of NOx emissions. By importing the boiler low-NOx upgrading project into the implementation of the project, we can reduce NOx emissions by about 3.4 tons per year.
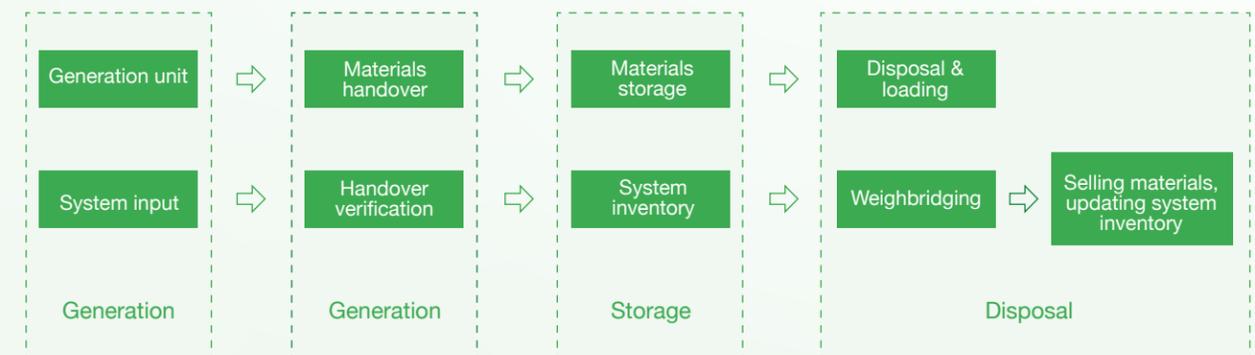
Introduction of laser coding machine and bottle-producing VOCs treatment facilities to reduce VOC emissions

We introduced UV (ultraviolet) laser coding machine to replace ink jet coding in the aseptic line of beverage and five-in-one line of food bag face to reduce the generation of volatile organic compounds (VOCs). We introduced bottle-producing waste gas secondary treatment facilities in Changsha, Hainan and other plants to treat the waste gas generated by bottle-producing equipment. Through the above measures, we reduced the emission of VOCs by about 0.6 tons per year.

Waste management

Through the "Solid Waste Management Standards" and the "Operation Standard for Scraps Management", the Group regulates the generation, collection, storage and disposal methods for all types of solid waste, ensuring that the solid waste generated by each plant is disposed legally and in compliance. We have developed an internal waste management system to enable full-process, systematic management and monitoring of recyclable and hazardous waste.

Generation		Generation		Storage		Disposal
Generation unit	⇨	Materials handover	⇨	Materials storage	⇨	Disposal & loading
System input	⇨	Handover verification	⇨	System inventory	⇨	Weighbridging ⇨ Selling materials, updating system inventory

The Group has set a medium and long-term goals on solid waste management:

To realise a **30.0%** decrease in intensity of hazardous waste by 2025 as compared to 2020 and a **20.0%** decrease in intensity of non-hazardous waste by 2025 as compared to 2020. The Group adheres to the environmental protection concept of reduction, recycling and innocuity to dispose of solid waste:

- We introduce the concept of circular economy to continuously reduce the production of solid waste;

- We actively develop cross industry cooperation to maximize the resource reuse of solid waste;

- All plants set up hazardous waste collection and recycling special warehouse for storage, centralized management of hazardous waste in the plant, and disposal by qualified waste service providers to ensure the harmless disposal of hazardous waste.

Solid waste emissions of the Group during the Reporting Period are shown as below:

Indicators	2023	2022	2021
Total hazardous waste(tons)	241	250	246
Hazardous waste intensity (kilogrammes/ton products)	0.0596	0.0637	0.0712
Total non-hazardous waste (tons)	63,612	67,368	64,564
Non-hazardous waste intensity (kilogrammes/ton products)	15.74	17.18	18.70

Note

1. Solid waste intensity is presented in "ton of products" based on "product weight".

We actively seek opportunities for cooperation within and across the industry chain in waste recycling, and promote the reduction and recycling of solid waste through cooperative and innovative ways. The main initiatives to reduce the generation and discharge of waste are the optimization of material storage and transportation methods, the optimization of packaging and container disposal methods, the recovery and recycling of waste items, the introduction of tea dregs dewatering equipment through independent innovation, and the implementation of a waste classification and management system, etc. The following are examples of the Group's efforts to reduce and recycle solid waste:

Measures for reduction and recycling of solid waste

Improvement of acid and alkali storage and transportation, reducing the generation of containers

Partnering with our suppliers, we switch to tanks instead of barrels for shipping. In 2023, our 3 plants in Hangzhou, Guangzhou and Wuhan reduced a total of 35.7 tonnes of harmful packaging containers.


Optimisation of empty chemical barrel disposal, reducing the generation of wastes

We remove the iron protective pallets on the exterior of empty barrels and performed harmless disposal. In 2023, our Guangzhou plant reduced harmful packaging containers by a total of about 5.8 tonnes.
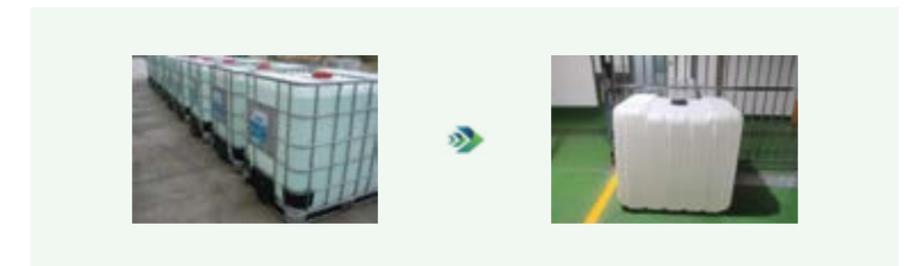
Reclamation and reuse of waste lubrication oil, reducing the generation of wastes

We recycle waste lubrication oil from equipment maintenance and replacement, and use it for biofuel refining. In 2023, we reclaimed approximately 16.3 tonnes of waste lubrication oil.
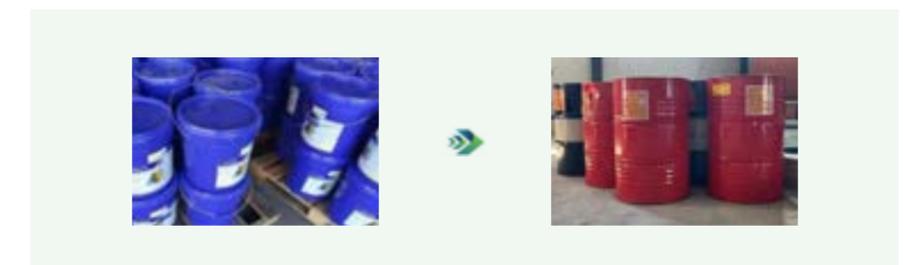
Recycle and reuse lead battery to reduce waste generation

We actively responded to the national call for recycling of lead storage batteries and cooperated with professional recycling manufacturers to recycle lead storage batteries after use in forklifts. At present, 22 plants nationwide have signed recycling agreements with professional recycling manufacturers. During the Reporting Period, we recycled a total of approximately 118.8 tons of waste lead storage batteries.

We are actively developing cross-industry cooperation to resourcefully dispose of tea residue according to its characteristics, further recycling tea residue through biomass burning pellet production, seedling cultivation, organic fertiliser production and organic vegetable cultivation. At present, 21 plants nationwide have signed recycling agreements with partners. During the Reporting Period, we recycled approximately a total of 50,844 tonnes of waste residue (tea residue, chilli dregs, garlic residue, etc.).

Waste residue recycling and the introduction of tea residue dehydration equipment
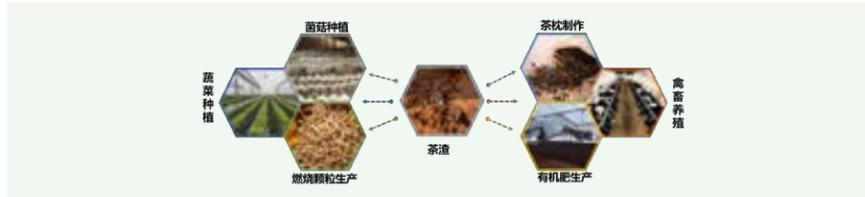
In addition, our Guangzhou plant introduced tea residue dehydration equipment, reducing the tea residue disposal volume by approximately 1,020 tonnes during the Reporting Period.

Package transport pallet optimization to reduce wood use

We actively collaborated with upstream manufacturers to improve the aluminium foil packaging materials in our two factories in Guangzhou and Nanning by introducing recyclable plastic pallets to replace disposable wooden pallets. During the Reporting Period, we reduced the use of wooden pallets by 2,174 pieces, reducing the amount of wood used by approximately 32 tons, which is equivalent to reducing the cut down and use of approximately 868 five-year-old pine trees.
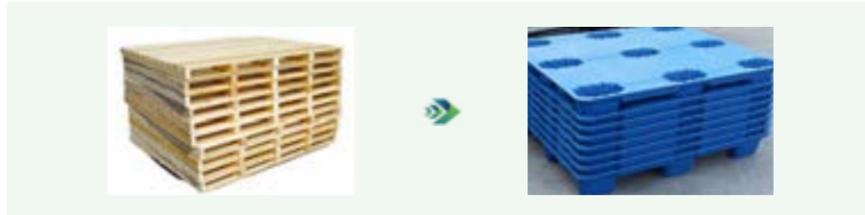
Training and publicity activities of garbage sorting policy in the plant area

We actively responded to the government policy on garbage sorting and carry out management according to our garbage sorting policy. Through online learning, employees are trained in garbage sorting knowledge, developing a good habit of garbage sorting and protecting environment with practical actions.
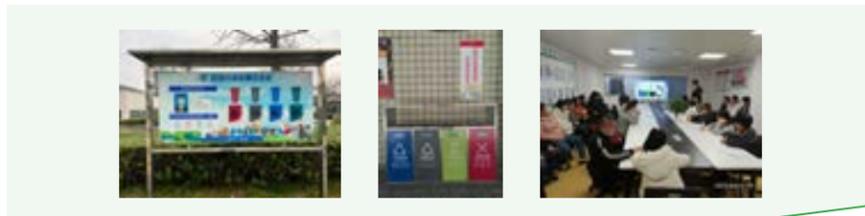
Noise management

The Group controls its boundary noises by strictly following the "Emission Standard for Industrial Enterprise Noises at Boundaries", and standardises and implements the "Three Simultaneities" system for occupational health. We control noise pollution from the source to ensure that noise emission from the plant and workshop meets the requirements of the national standard when new renovation and expansion projects are put into operation. In addition, we regularly commission a third-party qualified organization to conduct at least one inspection of noise at the plant boundary every year, and issue inspection reports to ensure compliant operation.

For noise management in production workshops, we implemented effective improvement measures such as isolation of noise sources, installation of noise reduction devices, and replacement of noisy equipment, to continuously improve the noisy working environment in workshops and enhance the health protection of employees.

Measures to lower noises

Put soundproof walls in the empty bottle conveying and packaging area

Addition of soundproof rooms in the bottle-making area
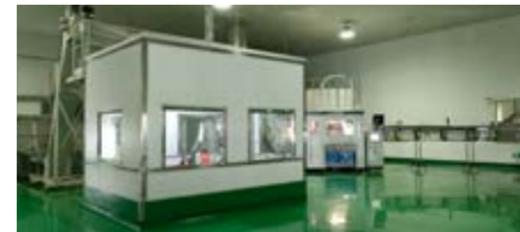
Replacement of noisy equipment with centrifugal fork-throwing machines for food importation

Achieve Good
Work-life Balance

Employees are the most valuable asset of a company and are vital to its sustainable development. At Uni-President, we believe that "talent is the cornerstone of enterprise development" and adhere to the principle of selecting and employing those with "excellent ability and good virtues". We strive to provide employees with a healthy, safe, happy and diversified workplace environment, support employees' personal development, protect employees' rights and interests, and share development results with employees.

The UN Sustainable Development Goals we have attended to

| 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH |

Introduce and cultivate talents

Protect employees' rights and interests

Uni-President strictly complies with the relevant national laws and regulations, including but not limited to the "Labour Law of the People's Republic of China" and the "Labour Contract Law of the People's Republic of China." In accordance with internal policies such as the "Staff Manual" and the "General Principles and Standards of Human Resources Management," the Group effectively protects employees' rights and interests.

◉ Recruitment and dismissal

The Group strictly regulates the recruitment, dismissal and other relevant procedures. We enter into employment contract with every employee, which clearly defines the rights, responsibilities and obligations of the employee and the employer, including compensation, working hours, employee benefits, leave days etc. The conclusion, amendment, cancellation and termination of employment contract are strictly subject to the relevant laws and policies. Every employee has the right to terminate employment with the relevant employing company of the Group in accordance with the terms of the relevant employment contract. The Group has established clear dismissal standards and exit procedures, which dismissal of any employee at will is not allowed to effectively protect employees' rights and interests.

The Group adheres to diversified recruitment strategies and recruits talents in multiple ways in a fair and just manner to ensure that the talents recruited meet the strategic requirement of the Group. Since 2020, we started to carry out online recruitment and remote interview in addition to offline recruitment. The Group utilises digital platforms to post recruitment information and manage the recruitment process to enhance the efficiency and transparency of recruitment; uses data analysis tools to screen and evaluate candidates to ensure fairness and accuracy of recruitment; and uses online assessment tools to evaluate the skills, knowledge and capabilities of candidates to enhance the objectivity and accuracy of assessment.

The Group has developed talent personas based on the Group's five-year operational plan and the positions required for different stages of enterprise development. These personas include the necessary knowledge, experience, abilities, and personality traits that demonstrate the capabilities and conditions required for high performance in those roles. Meanwhile, based on the Group's strategic needs, we are vigorously strengthening talent pooling and talent echelon construction through a dual approach of "internal reserves + external recruitment" to ensure effective talent echelon development and training. This provides more employees with opportunities for advancement and meets the rapid talent demand of the organization.

2023 Key recruitment projects

Management trainee recruitment

We have tailor-made management trainee recruitment programmes for our marketing, R&D, and administrative systems, and developed training plans at different stages. Through cross-brand and cross-department rotations, we have cultivated a group of talents who truly have Uni-President's values and can become our medium-and long-term business partners as well as become industry-leading professionals.

School-enterprise cooperation

We welcome fresh graduates to join us and build a bridge between schools and corporations, establishing a stable school-corporation partnership. We promote long term school-corporation cooperation model with vocational schools to provide vocational skills training, share professional knowledge, technology and practical experience, and provide students with more practice projects and internships to enhance their competitiveness in employment and cultivate a sense of social responsibility. In 2023, we provided 66 positions of practical experience for 395 interns. While supporting youth development, we also create a mentor relationship between enterprises, schools and college graduates, so as to match the employment demand of college graduates with the development of enterprises.

Addressing employment issues for impoverished populations

We operate across the country, creating direct employment platforms for low-income group and providing relevant vocational skills training to them with sustainable employment opportunities. We ensure fairness in the recruitment and hiring process, providing equal employment opportunities and treatment. In 2023, we assisted 535 individuals with underprivileged backgrounds to secure employment, enabling them to earn a stable income and improving their quality of life.

◉ Compensation and benefits

The Group sets up a competitive and fair compensation and benefits system based on employees' positions and abilities. We conduct regular compensation surveys and adjust the bandwidths of compensation range in line with the survey results and competitiveness to motivate and retain talented employees. The Group implements a fair, open and equitable assessment and reward mechanism and we believe "only the continuous development of the company can bring employees a broader platform and a higher salary". We gradually build a competitive atmosphere in our teams through differentiated reward to unleash employees' potential for further progress. We provide employees with a sound compensation system and promotion opportunities in accordance with the "Operational Standards on Job-Based Remuneration Management", the "Operational Standards on KPI Assessment Management", the "Operational Standards on Job Competence Evaluation", and the "Operational Standards on Incentive Management". In 2023, approximately 500 employees were promoted.

The compensation for the employees mainly includes basic salary, performance bonus, benefit, overtime pay and incentive. At the same time, based on KPI performance evaluation, we have established a performance evaluation system with 100% coverage of all employees. We use digital platforms and tools for data analysis to evaluate employees' performance, improving the transparency and fairness of compensation and ensuring that rewards are genuinely linked to performance, so as to evaluate the employees' performance more objectively and accurately. We provide regular performance feedback and coaching to employees and recognize their contributions in a timely manner. We also analyse employees' compensation and talent evaluation data and formulate personalized career development plans for employees based on the results, focusing on cultivating employees' job-related abilities.

In addition, we formulate compensation and incentive policies and assessment plans for all positions according to the medium-term and long-term strategic goals and business tactics at different stages, and design the salary adjustment matrix and comprehensive & dynamic incentive system based on the demands of talents at different development stages and the core positions identified. We make full use of the salary leverage to increase employees' engagement and performance value. In terms of corporate culture building, we keep enhancing the honour incentive system by setting up awards on "the most virtuous employee", "the extraordinary director", "the food safety star", "product innovation", "people of the year with outstanding contributions", etc. In addition, employees are entitled to additional benefits and subsidies, such as supplementary medical insurance, marriage allowance, travel allowance, holiday benefits, birthday gifts and funeral allowance.

In 2023, approximately
500 employees were promoted

Established a performance evaluation system with **100%** coverage of all employees

Setting up awards on "the most virtuous employee", "the extraordinary director", "the food safety star", "product innovation", "people of the year with outstanding contributions", etc

National holidays — Sick leave, Marriage leave, Maternity leave, Funeral leave, Personal leave, Annual leave

The proportion of female in management is **35.8%**

As of this Reporting Period

◉ Working hours and holidays

In strict compliance with the "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China", we implement the standard working hour system and the comprehensive working hour system to ensure sufficient rest for employees. In case of overtime, employees shall fill in the overtime application form and obtain approval from their supervisors. Furthermore, the Group's employees enjoy a variety of holidays such as national holidays, annual leave, personal leave, sick leave, marriage leave, maternity leave and funeral leave, and we appropriately extend relevant holidays to improve employees' happiness.

◉ Equity, diversity and anti-discrimination

We advocate equality and oppose discrimination. Regardless of gender, race, ethnicity, nationality, colour, religious belief, disability, marital status, etc., all staff members receive equal treatment at work in terms of job opportunity, remuneration, promotion, disciplinary treatment, dismissal and retirement, etc. According to the "Code of Ethics" of the Group, we strictly prohibit all forms of harassment or discrimination by employees against others and ensure that each employee is treated with respect and dignity. As of the end of the Reporting Period, the proportion of women in the Group's management is 35.8%

We actively promote our corporate culture by building a diversified and equal working environment. We carry forward the corporate culture and foster a positive atmosphere within the organisation through "Uni-President Monthly", "Voice of Uni-President" and "Corporate Culture Platform".

"Uni-President Monthly" had been published over **140** issues.

Through offline broadcasting, online communities, DingTalk push and other forms, the "Voice of Uni-President" had promoted **286** articles such as "Seeking Truth", "Fighting on the Front Line" and "Power of Role Models", radiating all employees.

"Corporate Culture Platform", as en enrichment of talent incentive system, is a one-stop digital platform for employee-centered real-time motivation, growth and care, and interactive experience. Since its establishment in 2023, **427** articles of cultural content, **1,108** badges of honor and recognition and monthly more than **7,000** appreciation cards have been released on the platform. The real-time recognition and care at critical moments effectively enhanced employees' motivation and satisfaction, thereby promoting the sustainable development and progress of the organization.

◉ Forbid child labour and forced labour

We strictly abide by the "Labour Law of the People's Republic of China", the "Provisions on the Prohibition of Using Child Labour" and other relevant laws and regulations and require all employees to provide relevant identification documents when onboarding. In addition, the Group has formulated remedial procedures and measures for the employment of child labour. Once child labour is found, we will stop his/her work immediately and report to the local labour department, and conduct health checks to ensure that no physical or mental harm has incurred. All employees of the Group are beyond the minimum age to work as stipulated by national laws and regulations. At the same time, we respect employees' willingness to work and prevent forced labour.

◉ Distribution of talents

As of the end of the Reporting Period, the Group had a total of **33,539** full-time employees, all of whom were employed on a full-time basis. The number of employees and employee turnover rates by gender, grade, age and region are as follows:

Type		
Total employees	2023：33,539	2022：33,555

By gender

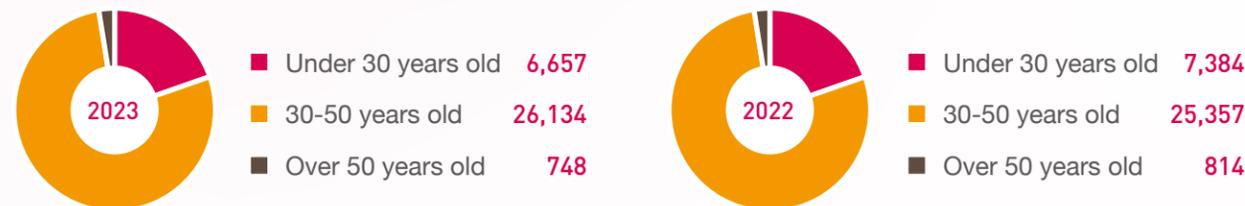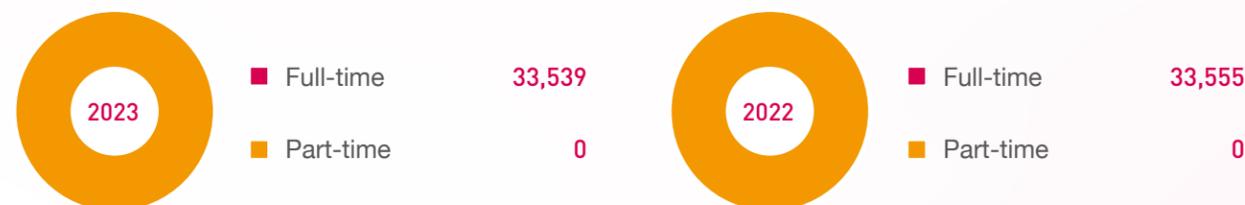| 2023		
■ Male	19,197	
■ Female	14,342	

2022		
■ Male	19,231	
■ Female	14,324	

By age

2023		
■ Under 30 years old	6,657	
■ 30-50 years old	26,134	
■ Over 50 years old	748	

2022		
■ Under 30 years old	7,384	
■ 30-50 years old	25,357	
■ Over 50 years old	814	

By employment type

2023		
■ Full-time	33,539	
■ Part-time	0	

2022		
■ Full-time	33,555	
■ Part-time	0	

By region

2023				
■ Northeast China	1,551		■ Northwest China	2,494
■ North China	2,651		■ Southwest China	4,154
■ East China	7,930		■ Central Plains	3,823
■ South China	6,223		■ Hong Kong, Macau and Taiwan	8
■ Central China	4,705			

2022				
■ Northeast China	1,592		■ Northwest China	2,466
■ North China	2,780		■ Southwest China	4,089
■ East China	8,142		■ Central Plains	3,758
■ South China	6,035		■ Hong Kong, Macau and Taiwan	8
■ Central China	4,685			

Employee turnover rate[2]	

By gender

	Male	Female
2023	26%	19%
2022	28%	20%
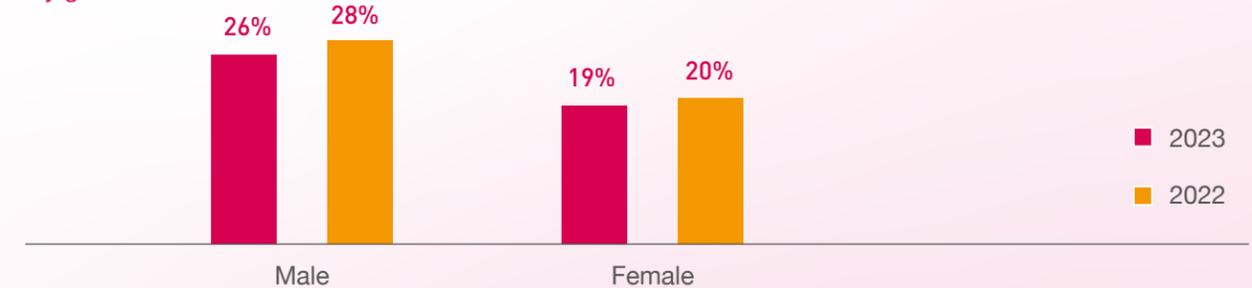
[2]Turnover rate by category = number of employees who left the category during the Reporting Period / total number of employees in the category at the end of the Reporting Period * 100%

Employee turnover rate

By age

- 49% / 49% — Under 30 years old
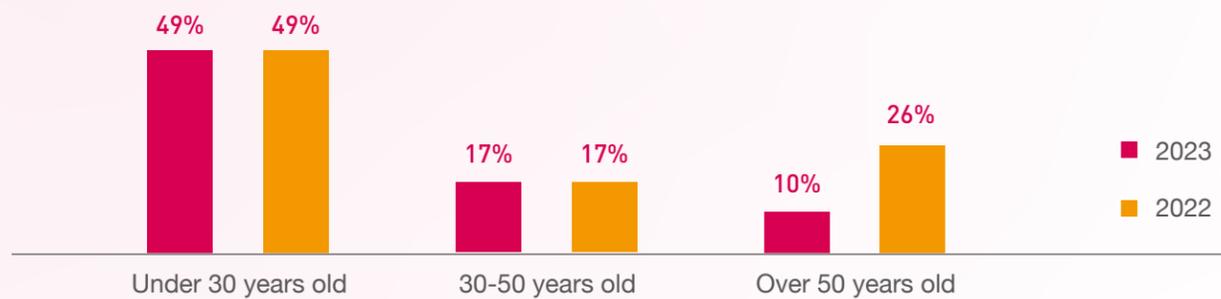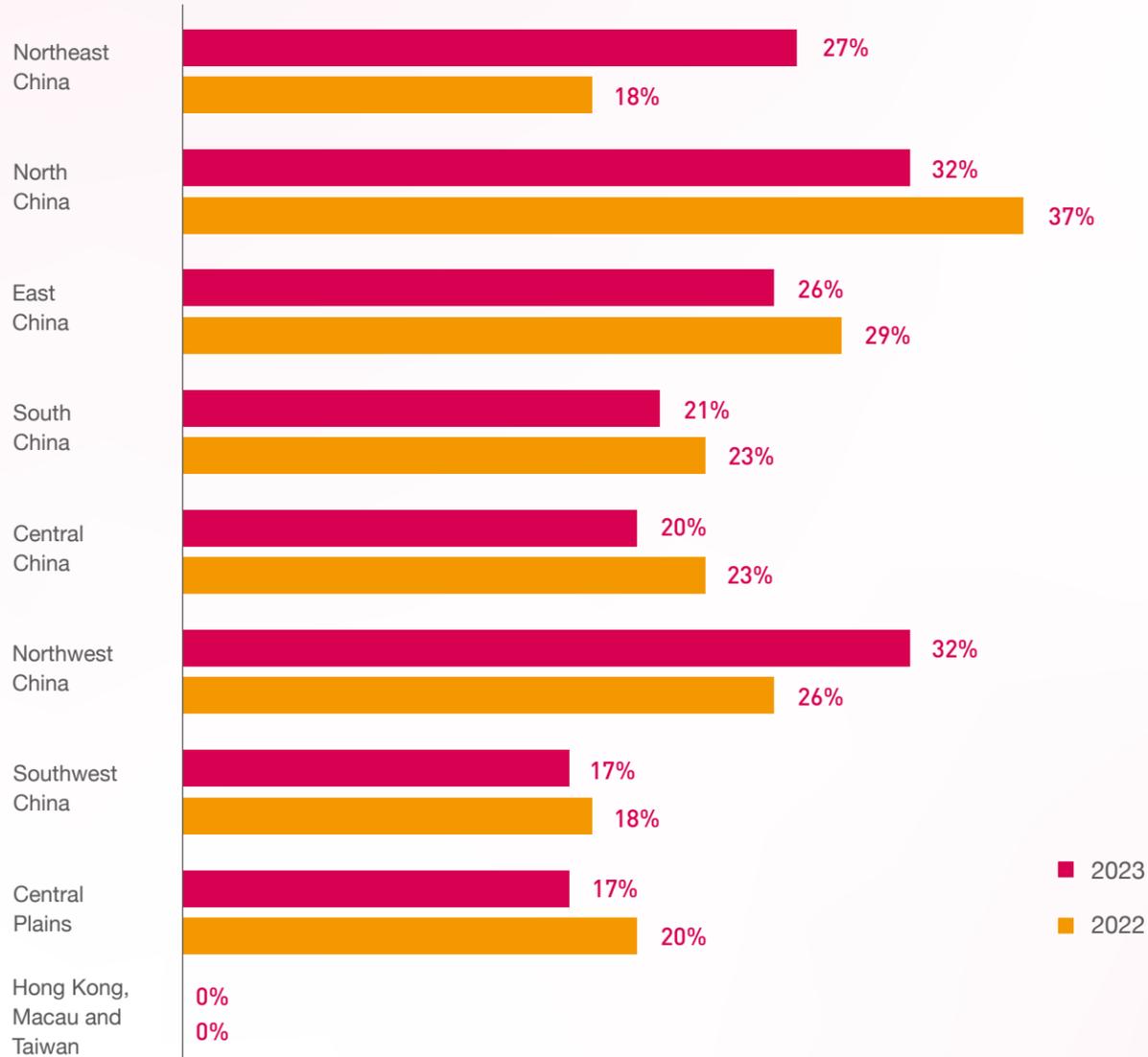- 17% / 17% — 30-50 years old
- 10% / 26% — Over 50 years old

■ 2023
■ 2022

By geographical region

- Northeast China: 27% / 18%
- North China: 32% / 37%
- East China: 26% / 29%
- South China: 21% / 23%
- Central China: 20% / 23%
- Northwest China: 32% / 26%
- Southwest China: 17% / 18%
- Central Plains: 17% / 20%
- Hong Kong, Macau and Taiwan: 0% / 0%

■ 2023
■ 2022

Support employee development

We attach importance to the development and cultivation of talents, respect the characteristics of every employee, strive to establish a career platform where employees can showcase their talents, and provide employees with multiple career development paths. The Group has also established a performance bonus and incentive scheme to recognise and encourage employees at all levels who have made outstanding contributions to the Group's business.

We provide training and development opportunities for all employees. We have built a digital training platform for talents development and learning development to create a two-wheel-driven training system driven by "Performance + Talent" and a platform that provides multi-scenario application for talents development. In accordance with the "Operational Standards for Training Management", and based on job nature, we offer specialised training of different types and levels to new recruits, junior supervisors, key personnel and management trainees, so as to enhance their business skills and management level in areas of corporate culture, safety education, professional skills, general skills and leadership. Through internal advanced training, planned position rotation, external exchanges, etc., the overall competence of employees is also further enhanced to guarantee that the core position requirements of the Group are met and the vitality and competitiveness of the existing management team are ensured.

We follow the digital transformation trend to improve the training scenarios and use digital tools to build an integrated talent development platform featured with "Talent Cultivation + Content Development + Learning Roadmap", so as to accelerate skill development and talent cultivation for employees at core positions. Since 2015, we have set out to build and improve the E-learning platform. By the end of this Reporting Period, the E-learning platform had a total of 1,471 selected courses, of which more than 300 courses were added in 2023. In 2023, 32,994 employees participated in the online learning, with the cumulative number exceeding 200,000.

In addition, we conducted a series of offline specialized trainings in light of changes in the market environment and the Company's internal business strategy. The training sessions include the "Brand Salon Training Series" and "New Media Operations" for the marketing unit; the "Efficient Operation Management" and the "Training on Laws and Regulations for Food Contact Packaging Materials Manufacturers" for the R&D and technical unit; and the "Processes Management" and "Emotional Management Skills" for the administrative unit. These sessions comprehensively enhanced employees' abilities in management and professional fields.

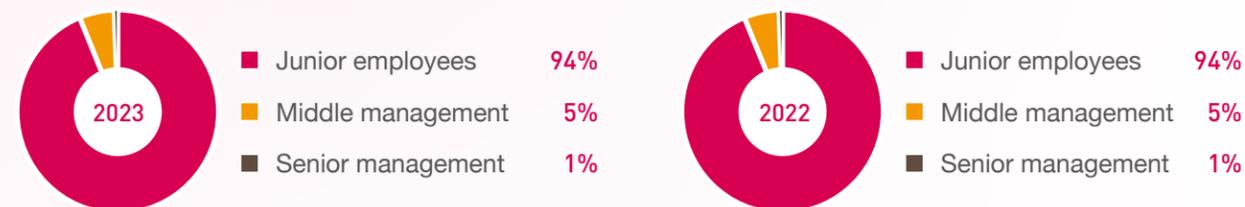During the Reporting Period, the percentage of employees trained and the average training hours by gender and job level in the Group are shown as follows:

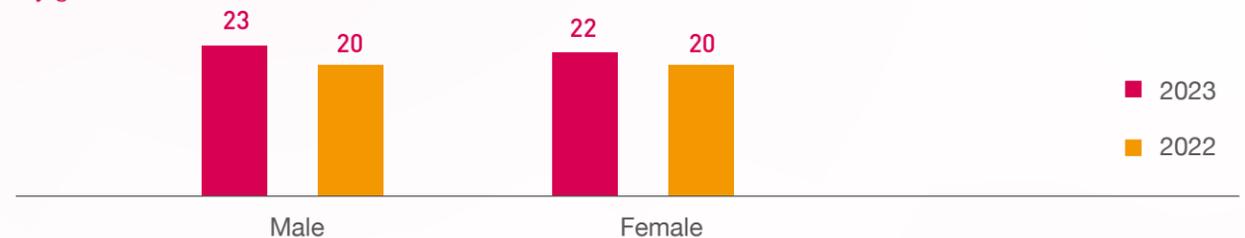## Percentage of employees trained[3]

By gender

2023				2022		
■ Male	57%			■ Male	57%	
■ Female	43%			■ Female	43%	

By job level

2023			2022		
■ Junior employees	94%		■ Junior employees	94%	
■ Middle management	5%		■ Middle management	5%	
■ Senior management	1%		■ Senior management	1%	
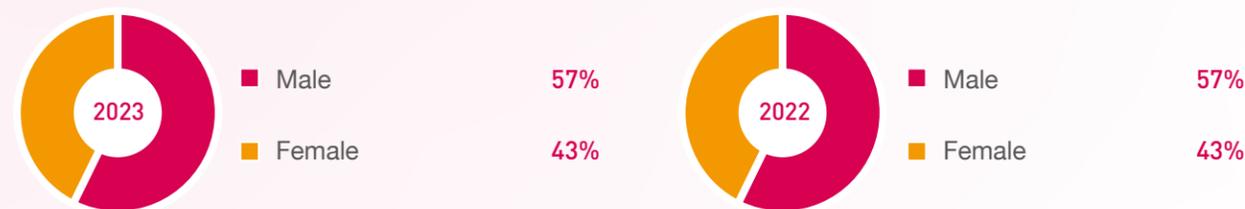
Average training hours[4]   2023：23   2022：20

By gender

	Male	Female
2023	23	22
2022	20	20

By job level

	Junior employees	Middle management	Senior management
2023	22	32	23
2022	19	37	23

[3]Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / total number of employees who took part in training during the Reporting Period * 100%
[4]Average training hours by category = Total number of training hours for employees in the specified category during the Reporting Period / total number of employees in the specified category during the Reporting Period * 100%

Care for employees

In 2023

We value employee relations and establish diversified two-way communication channels, including staff seminar, workers' congress, mediation committee of labour disputes, employee satisfaction survey, to understand employees' needs in a timely manner and listen to their opinions.

We continued to promote the feedback channel - General Manager Direct Communication Mailbox.

As of the end of the Reporting Period, a total of **356** letters were received from our employees,

100% of which were solved and replied to.

In addition, we follow up with phone calls every week to learn how cases are handled and if the rights and interests of the employees concerned have been appropriately safeguarded. To get an idea of employee satisfaction degree, we conduct a questionnaire survey on a quarterly basis. The result of the survey in 2023 shows that our employees are "satisfied" with the HR administration work.

We care about the work and life of employees, and continue to enhance our caring for disabled employees, female employees and other employees in need. We further optimise employee benefits, and organize diversified culture & sports activities and team building events to form a corporate culture of mutual love and kindness for all.

In 2023

We invested over RMB **29,000,000** in staff benefits.

We are actively involved in the community's human rights affairs, and provide employment opportunities for vulnerable groups such as people with disabilities and migrant workers, promoting respect for human rights in the community.

As of the end of the Reporting Period

The Group had a total of **2,026** employees of the ethnic group and **235** people with disabilities, accounting for **0.7%** of staff.

Measures for employee care

Well-being at work

We organise various activities for our staff, including Spring Festival gala, Lantern Festival celebration, Women's Day celebration, iSharing culture festival, etc. We also organize diversified forms of external activities in conjunction with holidays for our employees, enhancing the spirit of teamwork, promoting knowledge sharing and cultural exchanges among employees, providing employees with different experiences and enriching their spiritual and cultural life.

In terms of life care, we provide staff with convenient and healthy food service. In addition, we fully encourage our employees to set up various health, culture and entertainment clubs, such as football team, Yoga club and badminton team. We also organize and provide funds for relevant activities or events, creating a happy atmosphere in our workplace and enhancing our dynamics.

Care for health

With adherence to a people-oriented philosophy, Uni-President puts employees' health in the first place. We are committed to providing our employees with comprehensive social insurance protection, including pension insurance, medical insurance, unemployment insurance, etc.; in addition to social insurance, we also provide our employees with additional commercial insurance, such as accident insurance, major disease insurance, etc., ensuring comprehensive health protection. In addition, we actively provide free clinical services for employees. In 2023, we worked closely with healthcare organisations, clinics and community service stations to carry out 5 free clinics of "Caring for Health Altogether", inviting medical teams to provide specialist medical consultation, traditional Chinese medical healthcare therapy and other on-site services. The medical consultation attracted nearly 300 employees to participate in, sufficing the different consultation needs of our employees.

Furthermore, we purchased automatic external defibrillators (AEDs) and engaged external professional organisations for on-site training in the "Heartsaver First Aid" course to help our employees equip with the knowledge and skills of first aid. In 2023, 30 employees from different departments participated in the training and passed the practical exams and obtained the Heartsaver® First Aid CPR AED Course Completion Card issued by American Heart Association (AHA).

Guard health and safety

The Group establishes a sound production safety management system, continuously develops a corporate safety culture, formulates and continuously improves various production safety and occupational health management standards and systems, establishes and implements an all-employee responsibility system for production safety, conducts regular training for employees on production safety and occupational health, and adopts a variety of technological measures to actively create a safe, comfortable and healthy working environment, and always carries out the policy of "People-Oriented, Health and Safety" to provide all-around health and safety protection for its employees.

- **Goal**

    To create safe, healthy and environment-friendly plants

- **Mid and long-term goal**

    10% decrease in the injury rate per thousand people by 2025 as compared to 2020;

    by 2025, the number of occupational health accident per year is **zero**.

There were **no** work-related fatalities in the past three years (including the Reporting Period).

During the Reporting Period

- The Group had **443** lost days due to work injury;

- The injury rate per thousand persons was **1.02‰**, **32%** lower compared to injury rate per thousand persons in 2020 (1.5‰);
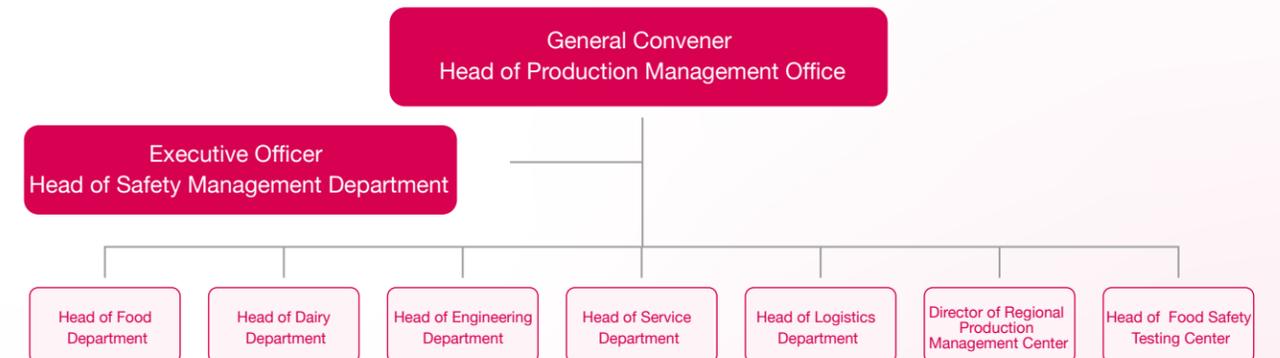
- The number of occupational health accident is 0.

Note

The statistical scope of the lost days due to work injury and the injury rate per thousand persons covers all production plants of the Group.

Build occupational safety management system

The Group strictly abides by relevant national laws and regulations such as "Work Safety Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the "Fire Protection Law of the People's Republic of China", the "Special Equipment Safety Law of the People's Republic of China" and "Regulations on the Safety Management of Hazardous Chemicals". According to the requirements of ISO 45001 Occupational Health and Safety Management System and Safety Production Standardisation, internal operating standards such as "General Guideline Standards of Work Safety and Environmental Safety Management", "Procedures for Occupational Health Management", "Operating Standards of Reporting Work Safety Incidents and Investigation Handling" and "Operating Standard of Special Equipment Management" are formulated by the Group to comprehensively promote production safety management across all plants.

The Group established Production Safety Management Committee at the headquarters and each plant, consisting of general convener, executive officer, committee members, team leaders and other relevant members. The headquarters is responsible for planning and promoting management of occupational health and safety production while each plant is responsible for implementing plant-level measures. In addition, in order to urge the relevant management to be diligent and responsible, the Group has formulated health and safety management indicators and incorporated them into the assessment and incentive plan of board members and senior executives, linked them to the remuneration system and aligned with the commitment to sustainable development.

General Convener
Head of Production Management Office

Executive Officer
Head of Safety Management Department

| Head of Food Department | Head of Dairy Department | Head of Engineering Department | Head of Service Department | Head of Logistics Department | Director of Regional Production Management Center | Head of Food Safety Testing Center |

Organizational structure of the Production Safety Committee

We continuously construct professional safety management team. Greater effort has been made for establishing more systematic and standardised safety management, developing safety production standards in all plants and obtaining the certificate of ISO 45001 Occupational Health and Safety Management System. As of the end of the Reporting Period, all plants of the Group had passed the work safety standardisation certification, with 18 and 12 plants having passed the level-2 certification and level-3 certification, respectively. In addition, many of our plants have obtained the certificate of ISO 45001 Occupational Health and Safety Management System.

Work Safety / Occupational health and safety management certificate

Practice work safety

The Group's plants continue to implement the safety production responsibility system. In accordance with the principle of "The Person in Charge is the Person Responsible", the plant manager is the first responsible person for safety in each plant and is fully responsible for the safety work of the plant, while supervisors at all levels are responsible for the safety within their responsibilities. In the event of safety and occupational health accidents, the management at all levels will be assessed and penalized and held accountable according to the severity of the accidents.

We engage external experts to conduct a number of training sessions on safety to enhance the professional skills of safety management personnels, an intra departmental professional and technical team will be formed to improve the working environment of the workshops through technical means; we we carry out hazardous factor identification, special safety inspection, risk control and potential risk investigation to eliminate potential risks in plants in accordance with the "Hazardous Factors Identification and Management Procedures"; the 4Rs (The 4Round, or "4R" for short, is a 4-rounds practice for hazard anticipation) of Zero Disaster, safety observation and other activities will be conducted to eliminate unsafe behaviours of personnel and unsafe conditions of objects. We also strengthen the management of limited space operations, toxic/combustible gas alarm management, the construction of protection for the adjacent work platforms and the construction of micro fire stations to implement safety production.

In 2023, we devoted ongoing efforts to enhance improvement in accordance with injury cases. We formulated the core concept of safety in the Company, constructed a safety culture among teams, and incorporated the core concept of safety into corporate culture. During the Reporting Period, we refined the safety policies and revised 8 standard operating procedures (SOPs) with 7 safety management measures and technical documents newly added for compliance in on-site hazard source management. We also built the EHS Management Information System, which covers the 4 modules of hierarchical risk control, safety patrol/inspection, hazard detection and management, and hazardous operations management. Currently, the system has been put into use at all the Group's plants, which helps us realise the informatisation management of the whole process of risk identification and hierarchical control, potential risk detection, and hazardous operations. We also implement process management to avoid the risks arising from personnel changes with standardised management measures.

In addition, we further guarantee the implementation of safe production through the construction of simulation centres, electrical safety reliability assessments, shock education training, seven leading actions of supervisors, safety culture cultivation among teams, summer safety campaign, etc.

Construction of simulation centres

We launched a number of projects such as electric shock and personal protective equipment (PPE) simulation, transforming the traditional "didactic" into an "experiential" training, so that employees can effectively combine "listening, watching and doing" mindset and action in the process of watching, participating and experiencing. In this way, they may have a deeper understanding of the hazards and consequences of safety accidents, and raise safety awareness.

Reliability assessment of plant electrical safety

We took the Jinan plant as a pilot to conduct the reliability assessment of electrical safety management, launch the reliability assessment training in electrical safety management, and quantify the electrical safety risk level of the location, effectively controlling and preventing the risk of electrical fire.

Shock education training

Through the safety training materials and shock education training videos, we have enhanced safety awareness education and safety skills education in terms of "teaching" and "skills". We review typical work safety accidents within the Company and in China in the form of experience feedback to instruct employees to stick to the bottom line of work safety.

Seven leading actions of supervisors

At Uni-President, we require supervisors to take the lead in fulfilling their responsibilities, including fulfilling responsibility list, hosting safety meetings, giving lectures, planning safety events, identifying safety risks, engaging in on-site inspections, and organising emergency drills to further enforce safety measures and requirements.

Safety culture cultivation among teams

We focus on the six aspects of love, responsibility, teaching, technology, elimination and list, organize activities to bring safety into families to make safety work deep into the families of employees, clarify the responsibility of all staff in the team. All staff sign a letter of responsibility, carry out in-depth investigation and management of hidden dangers, carry out safety improvement proposals for all staff, carry out safety training and knowledge learning in the team, carry out skills competitions in the team, set up a safety culture wall in the team, carry out the selection of excellent safety teams and safety stars, implement safety work to the grassroots level, and infiltrate the awareness of safety into the hearts of every employee.

Summer safety campaign

We focus on the 5 topics of "Safety awareness enhancement, safety skills training, humanistic care, special activities, emergency plans" to carry out various forms of safety activities in each plant, strengthening the safety awareness and skills of our employees and improving the safety production conditions in our plants.

We continuously carry out the "Star Factory Competition", which is a comprehensive assessment and evaluation of the safety management of each factory. We evaluate the factory's accident assessment, safety management, and promotion of safety culture, and then evaluate the star factory according to the comprehensive score. According to the evaluation results, we will reward and penalize the factories accordingly. At the same time, the performance of the factory manager of each factory will be linked to the annual industrial, environmental and safety management star rating. By promoting the creation and evaluation of "Star Factory", we play the role of a benchmark and continue to create an atmosphere of safety culture in which all employees participate, in an effort to create safe, healthy and environmentally friendly factories.

Safeguard occupational health

The Group pays attention to the occupational health of employees, and strictly follows the "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases", the "Regulations on the Supervision and Administration of Occupational Health in the Workplace" and other relevant laws and regulations to promote the establishment of the ISO 45001 Occupational Health and Safety Management Systems. The Group has established the occupational health management committee composed of production safety management units and technology units, fully responsible for reviewing policies and measures of health and safety. We provide full-process (pre-job, on-the-job and post-job) occupational health monitoring and management for employees, adopt various preventive and treatment measures, and conduct corporate safety culture promotions to enhance employees' awareness of occupational safety and create a healthy and safe workplace for all employees.

We care for the health of our employees, and regularly invite external professionals to train our employees in first aid skills and practical operations every year to improve their self-rescue and mutual aid capabilities, ensuring that first aiders are licensed to operate. The plant is equipped with automatic external defibrillators, blood pressure monitors, rapid cardiac testers, thermometers, and other testing and first aid equipment to carry out the daily monitoring of the health of our employees. The site is equipped with first-aid kits and related first-aid medicines, which are regularly inspected and maintained by specialized personnel.

Full-process occupational health management

Occupational hazards inspection

Each year, we engage qualified testing organisations to inspect occupational hazards in the workplace and keep improving technical processes and equipment automation to reduce occupational hazard risks. To prevent occupational diseases, we arrange annual occupational physical examinations for our employees.

Prevention measures for occupational diseases in the workplace

In accordance with the "Occupational Hazards Warning Signs in Workplaces", we post relevant warning signs on work sites and create a logbook for regular inspection and maintenance. For instance, we take ventilation and cooling measures for employees working under high temperatures, install dust removal devices in dusty workplaces, and equip laboratories with fuming cupboards for employees exposed to toxic and harmful environments. In addition, we have effectively reduced noise at the workplace by replacing the materials of labelling machines' rods, removing knocking sticks from the powder packing machines, etc. We also equip employees with personal protective equipment, and guide and train them on the correct use of such equipment.

Safety risk management and inspection

In accordance with the "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases" and relevant national standards, each plant conducts pre-job, on-the-job and post-job occupational health inspection for employees at production sites, and establishes occupational health monitoring files for employees.

Establishment and improvement of accident reporting system

The Group has established a reporting system for occupational disease hazards and accidents. If an occupational disease accident occurs, it will be reported timely and the employees concerned will be transferred to different posts, after which the Group will analyse the cause of the accident and take corrective and preventive measures.

Enhance safety awareness

The Group has carried out special activities such as the "Safety Production Month" and the "Fire Safety Education Month" for all employees to participate in, so as to further enhance their awareness of safety responsibilities. The Group also has carried out safety concept collection and selection activities, forming the unique safety concept that is deeply rooted in the hearts of the people. The internal "EHS Monthly Newsletter" is regularly issued to provide information on newly issued laws and regulations, safety accident warning and safety knowledge. We have also carried out occupational health publicity by popularizing knowledge of occupational disease prevention and control and occupational health to our employees through WeChat/DingTalk push, on-site billboards, slogans, brochure issuing and other online and offline approaches to fully promote the development of corporate safety culture.

We organize regular pre-job and on-the-job safe production and occupational health training to strengthen employees' awareness of safety;

We also invite external experts to provide professional safety knowledge training to improve professional skills of safety management personnel.

By the end of the Reporting Period, a total of **4,634** production safety production training sessions had been organised at plants nationwide, with a total training duration of **5,769** hours and **234,409** participants.

Health safety training and activities in 2023

Emergency preparedness drills

We have formulated the "Comprehensive Emergency Plan", the "Firefighting Emergency Plan" and other special emergency plans based on the actual situation. Also, we develop drill plans every year, which serve as a framework for all employees to carry out drills based on the comprehensive or special plans.

Home safety

During "Safety Production Month" and "Fire Prevention Month", we present employees with household firefighting equipment, arrange technicians to perform electrical safety inspections, and hold parent-child safety knowledge contests and other competition activities to guide employees and their families to learn safety knowledge.

Special safety training

In 2023, we carried out a number of special safety training sessions, including one for supervisors at all levels to enhance their responsibility awareness and ability to investigate potential hazards, and to implement the "Three Rules and Three Musts" requirements of the revised work safety law. We invited external professional agencies to provide training on electrical safety reliability assessment to reduce risks of electrical fires in plants and enhance the professional competence of electrical technicians. We also arranged the training on fire regulations and key points of fire safety inspection organised during the "Fire Prevention Month" to further enhance employees' awareness of fire safety.

Pursue Win-win Cooperation in Industry

Adhering to the philosophy of "Three Goods and One Fairness", Uni-President, while delivering safe, healthy and delicious food to consumers, pursues win-win cooperation and endeavours to build a mutually beneficial and win-win network of trust and cooperation with all partners to foster common progress of the industry.

The UN Sustainable Development Goals we have attended to

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Proper supply chain management

Uni-President realises that effective management of raw material suppliers is important to product quality and safety. Therefore, we continuously improve the supervision mechanism throughout the raw material supply chain, with an emphasis on food safety management at the source.

Construction of supplier management system

In accordance with rules such as the "Measures for Introduction of Raw Material Suppliers", the "Operational Standards on Field Inspection of Raw Material Manufacturers", the "Quality Rating Standards on Deliveries of Raw Material Suppliers", the "Measures for Classification Management of Raw Material Suppliers", etc., we have carried out supplier qualification assessments and field inspections and implemented a food safety monitoring system of raw materials to ensure that monitoring over food quality and safety is conducted from the source of the supply chain.

As of the end of the Reporting Period, the Group had **775** raw materials suppliers. The number of raw materials suppliers by geographical region is showed as below:

2023	Number Of Suppliers	**775**

By Province

Jiangsu	116		Shandong	43
Shanghai	111		Henan	23
Guangdong	57		Anhui	35
Zhejiang	46		Fujian	31
Sichuan	49		Hebei	30
Hubei	42		Others	192

2022	Number Of Suppliers	**779**

By Province

Jiangsu	114		Shandong	41
Shanghai	103		Henan	27
Guangdong	54		Anhui	28
Zhejiang	43		Fujian	28
Sichuan	47		Hebei	28
Hubei	46		Others	220

Supplier assessment management

We classify and manage our suppliers according to their performance rating. Periodic supplier evaluation and assessment is conducted to urge suppliers on continuous quality improvement. We help suppliers establish scientific and effective food safety and quality management systems. We timely conduct conformity and validity checks of suppliers' qualifications, annually re-rank suppliers' food safety risk levels, and perform unannounced inspections and pre-notice reviews at different frequencies according to the risk level. In addition, we commission external auditors to perform various field inspections and assess suppliers' risks from multi-dimensions to effectively control the food safety risks introduced by suppliers. In addition to regular reviews, we also render services on field inspection and special quality enhancement coaching to our suppliers for continuous improvement in quality management.

Based on planning targets of 2023

we conducted reviews on **373** suppliers

including **276** existing suppliers and **97** new suppliers

Supplier management process

We carry out supplier admission management from the aspects of demands identification, sourcing of suppliers, sample inspection, qualification review, field inspection, food safety testing, etc., and implement the principle of "one-vote veto" on food safety issue.

We have formulated measures for regular supplier management and quality rating, with which we conduct process management on suppliers through quality rating, unannounced inspection, pre-notice review, and capability enhancement.
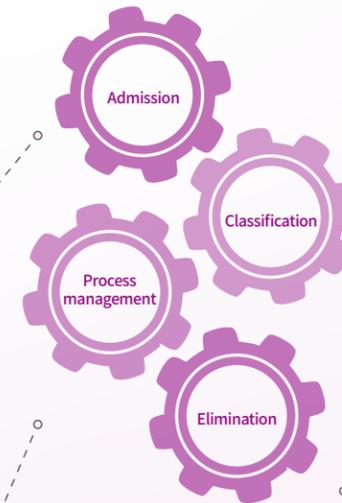
We have established the supplier risk classified management system to realise classified management on suppliers based on their category, risk level and performance level. We have formulated a differentiated supplier management strategy to improve the pertinence and effectiveness of supplier management.

We have established and implemented standards for supplier elimination based on the category of the supplier.

- Admission
- Classification
- Process management
- Elimination

Suppliers social responsibility management

In accordance with the "Supplier Code of Conduct", we set out requirements for all categories of direct and indirect suppliers we work with in the areas of labour, ethics, health, safety, environment and quality to strengthen our control over our suppliers' social responsibilities.

We place emphasis on control over environmental and social risks of upstream and downstream suppliers. In this regard, legal disputes, credit risk, tax risk, environmental risk, operational risk, food safety risk, engineering risk, etc. are monitored in a 24-hour and real-time manner by our Robotic Process Automation (RPA) information system. When conducting field inspection on suppliers, we proactively focus on the performance of suppliers in labour and safety, environmental protection, etc., and urge suppliers to respect employees, treat workplace safety seriously, use environmental-friendly products, value environmental protection etc. We also inspire suppliers to stay on the same page with us and adopt a sound approach to sustainable development by encouraging packaging suppliers to use environment-friendly recyclable materials and meat suppliers to focus on animal welfare and treat animals humanely.

We have entered into the "Letter of Commitment" with all suppliers and related engineering plants, publicise anti-corruption channels (including email addresses and contact numbers) to reject commercial bribery and build a clean supply chain together.

Supplier assistance

We have formulated precise and effective supporting programmes for suppliers to help them develop. In addition to food safety training and special quality enhancement coaching, we also provide material, financial resources and other support to suppliers, in the hope of "seeking mutual development".

Optimise customer experience

The Group continuously broadens the consumer access channels, improves the consumer service system and unblocks communication channels to optimise consumer experience. The Group actively responds to consumers' expectations for quality products through return visits and satisfaction surveys to protect their rights and interests.

Consumer access channels

The Group actively drives all-channel digital transformation and explores new forms of business based on digital empowerment, and establishes an online + offline seamless (O+O) mode through digital marketing to serve customers from online and offline channels and cater to new ways of consumption, thus enhancing consumer loyalty.

F2B2b2C Ecosystem

● Full access through online and offline channels

We build and keep optimising the F2B2b2C omnichannel marketing mall system and the new marketing ecosystem from brand (Factory), distributors (Business), and retailers (business) to consumers (Customer) to achieve digital intellectualisation of marketing and the diversification of consumer access channels. By actively creating offline publicising scenarios, and combining various online and offline marketing activities such as sales promotions, custom products offering, new product sample offering for trying out, social media publicising, marketing at advertising spots, event marketing, food tour, Key Opinion Consumer("KOC") livestreaming, KOC propagation, etc., we enhance the product and brand recognition and expand the demands of consumers.

● Double shelves online and offline

We actively apply big data analysis and digital means to optimise online supply, and endeavour to serve people's needs by expanding community businesses and guaranteeing food and beverage supply, to meet their demand for convenient and quick shopping.

During the Reporting Period, we practised the strategy of "Multi-scenario and Industrial High-level Coverage with the Ready-to-drink at Its Core" and strengthened the construction of sales channels to meet consumers' needs in various scenarios.

● **Expand distributor types**

There were 1,491 new distributors in 2023, including regional distributors, catering distributors, channel distributors, product distributors, direct distributors and specialty distributors.

● **Optimise sales channel management**

We reviewed and optimised the sales channel network to acquire more comprehensive and accurate information on POS (Point-of-Sale) and enhance the Group's management in various scenarios with the improvement of consumer shopping experiences at its core.

Online channels optimisation

Following the trend of rapid expansion of O2O channels, we have connected over 450,000 terminal stores across China. With the help of the platform, we have reached nearly 10 million consumers each month. Therefore, platform construction has become an important pillar for brand building. In 2023, we drove revenue growth in our food and beverage business through supply optimisation and marketing strategies. In terms of supply, we cooperated with third-party data companies and provided accurate information within the legal framework to help key stores achieve business growth, with 80% of stores nationwide achieving their targets; in terms of marketing strategies, we carried out topical marketing campaigns, including the annual "Summer Cooling Delivery", to create an online sound communication matrix through topics such as "Delivering Cooling to Delivery Boys" on our platform and organised offline activities to enhance our brand image.

We created the mode of cloud stores and piloted it in 7 cities including Nanjing, Chengdu, Xi'an, Shijiazhuang, Shenzhen, Hangzhou and Changsha in 2023, recruiting storekeepers with potential in online business with a result of 9,848 registered cloud storekeepers. In addition, to promote new brand products into new markets, we achieved a three-in-one operation consisting of relationship, recognition and transaction with the differentiated operating mode of online shelves of Uni-President's cloud stores, which combines three communication channels, namely networks, communities and offline platforms.

Offline channels improvement

In 2023, we launched our gift programme. In this programme, we solved the three core issues of sales, i.e., distributors, sales scenarios and sales approaches. We also actively expanded our sales scenarios, such as countryside banquets, household full-box sales, and festival gifts, to boost non-festival revenues and realise a booming business all year.

In addition, we have implemented a number of core initiatives to further enhance our market competitiveness in the catering business. We actively facilitate the business strategy of segregating exclusive products, focusing on building 3 major product lines, namely, canned packaging, large packaging and TP plastic packaging, to meet the needs of different catering scenarios. We optimise the catering structures by creating an additional explorative post to develop catering distributors and high-performance points of sales. Guided by the strategy of "Three Specialists, Two Customer Segments and One Communication Channel", we have proposed a specific "351 Tactic", which provides effective guidance for businesses, attracts nearly 1,000 catering distributors and develops hundreds of thousands of new catering points of sales.
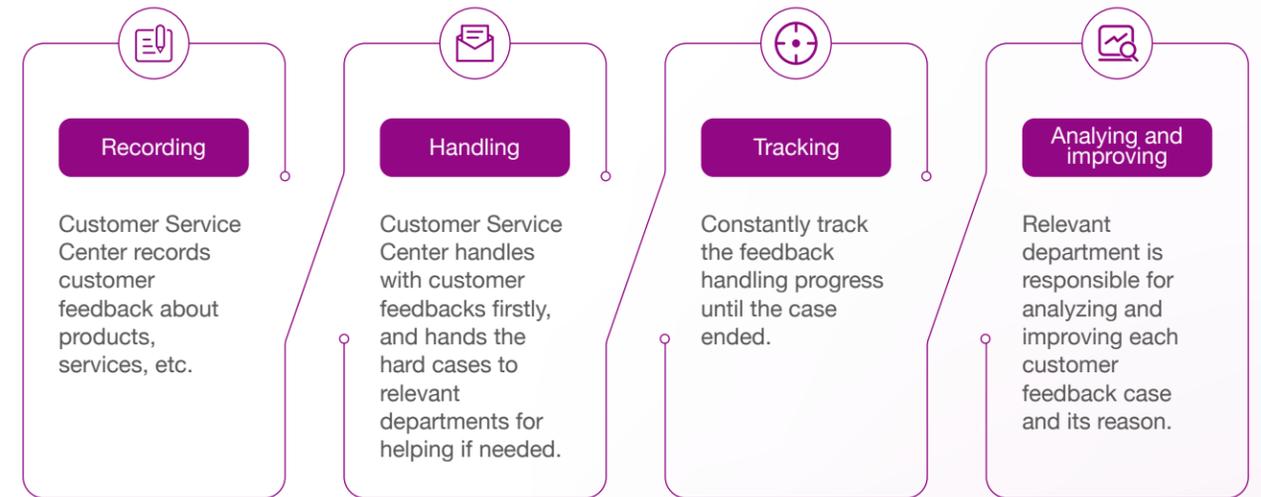
Product Focus

Customer communication

The Group has a Customer Service Centre, which is responsible for consumer-related communication. We establish a well-designed customer feedback handling mechanism under policies like the "Operational Standards on Complaints Handling". We have set up several customer service platforms including 400 consumer service hotline, WeChat official account "Uni-President" and its online service. The Group also monitors public opinion and feedback on we-media by artificial intelligence (AI), listens carefully to consumer opinion and feedback, and gains insight into their demand.

- 400 consumer service hotline
- WeChat official account online service
- WeChat official account "Uni-President"
- Public opinion and feedback monitoring on we-media

During the Reporting Period, we received **12,885** feedbacks for products and services. All consumers' feedbacks were recorded and tracked for relevant departments to make improvements.

Recording
Customer Service Center records customer feedback about products, services, etc.

Handling
Customer Service Center handles with customer feedbacks firstly, and hands the hard cases to relevant departments for helping if needed.

Tracking
Constantly track the feedback handling progress until the case ended.

Analying and improving
Relevant department is responsible for analyzing and improving each customer feedback case and its reason.

Procedures for customer feedback handling

The Group maintains a close business relationship with our dealer customers and attaches great importance to the feedback from our dealers. We set up a special functional department to maintain close communication and contact with our dealers, and deal with their feedback and suggestions in a timely manner; we also conduct regular offline customer visits to understand and solve customer problems in a timely manner, grasp their operational status and build a transparent and harmonious customer relationship.

We created a customer interview mechanism to fully understand customer status from their basic information, expiring products in warehouse and verification of customer accounts through interviews on dealers in person, thus facilitating to meet customer requirements, further enhancing customer loyalty and preventing sales corruption. Furthermore, we have made "customer service card" and posted it in customers' stores to realize zero-distance service in an effort to provide our customers better service. In addition, all dealers can provide feedback through channels such as, customer correspondence platform, WeChat public account, reporting email, verification bill and exit audit survey.

Protect customers' interests and rights

Adhering to the principle of "Truth and Pragmatism", the Group is responsible for consumers and customers. We strictly abide by the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Advertising Law of the People's Republic of China", the "Food Safety Law of the People's Republic of China" and other relevant laws and regulations. We established corresponding systems to standardise after-sales services and product labelling, focusing on consumer demand and conveying the most accurate information to the public.

Product labelling and marketing ideas

We strictly abide by relevant national laws and regulations, including but not limited to the "Food Labelling Supervision Administration Measures", national food safety standard GB 7718 "General Standard for the Labelling of Pre-packaged Foods", etc. In addition, we develop an internal standard of procedure for product label audit to clarify the rights and responsibilities of each department (i.e. business division, R&D, legal, food safety, etc.), and to provide a guiding reference for matters that are prone to errors or disputes. Based on the "Rules for Use of Uni-President Labels in Packaging", the "Operational Standards on Product Labelling and Publicity Materials Review Process", the "Operational Standards on Packaging Design Inspection", the "Rules for Packaging Colour Taboos", etc., we regulate product packaging labelling and advertising language to conduct responsible product marketing. We give full information on product ingredients and use legitimate advertising language in a manner that is transparent and not exaggerated. The "Product Labelling Review Process" and "Product Promotion Review Process" are in place for multi-sectoral review and sign-off of trademarks, brand names, nutrition labels, recycling labels, manufacturing source, certification, warning marks, and advertising language, avoiding consumers' misunderstanding on our product packaging and advertising language. We also conduct trainings on advertising compliance and product labelling for relevant staff regularly to ensure their compliance.

Information security and privacy protection

The Group has set up an effective information security management mechanism and established an information security management system in line with ISO/IEC 27701, and protected information security in all aspects according to the "Regulations on Information Security Management", "Guidelines for User Information Security" and other information security policies. During the Reporting Period, we optimised the "Regulations on Information Security Management", the "Employee Code of Conduct Regarding Information Security" and the "Operational Standards on Information Release" to continuously strengthen information security management. We formed responsible teams to standardize management mechanisms such as the confidential level of company information, the level of information security incidents, the reporting flow of information security incidents, the penalty mechanism of information security incidents as well as the investigation mechanism of information security incidents. Thus the integrity, availability and security of the Group's information assets are guaranteed, and compliance obligations are performed when collecting and using private or clients' information. When user privacy collection is required, we will sign the "Registration Agreement for Uni-President Users" and "Privacy Policy Agreement" with users, inform the users the way we collect, store, protect and manage personal information. We continue to enhance third-party data safety and privacy management by controlling the authority to suppliers (raw material suppliers and logistics carriers) and requiring them to collect information within a minimum scope. We also provide publicity and training on standards to third parties, requiring them to sign privacy agreements and regulating information acquisition, storage and retrieval procedures.

We adopt a variety of technical measures to strengthen the security of the information system and ensure the integrity and security of data. We establish an effective redundancy mechanism, backup mechanism, and network security protection mechanism, and develop system access control policies to ensure the continuity, security and stability of the application system, the continuity and integrity of backup data, and the security of stored information. At present, many of our employees have obtained the certificate of Certified Information Professional (CISP) and our online system "Uni-President e-Mall" has passed the national information system security (Level 3) certification. During the Reporting Period, we performed penetration testing on the EKP digital office system to check the security of the Group's digital management system; we also upgraded the bastion host to ensure a stable and effective operation of the data security protection system.

In addition, the Group established an effective information security audit mechanism, including self-inspection by each department, security audit of user information and third-party audit to ensure the compliance of information security management.

In 2023, we further strengthened information security trainings, and improved the training effect by means of online live broadcast, offline meeting, DingTalk tweets, billboards, electronic screen, DingTalk group and email. We produced a microfilm on information security for employees to study online, and selected 6,119 persons to take the examination with a pass rate of 100%. We sent the "Information Security Monthly" to all employees periodically and conduct information security and privacy protection trainings on a regular basis to enhance employees' information security awareness and ensure zero risk in information security. In addition, during the Reporting Period, we invited external security companies to provide information security training, covering over 50 participants.

Selected **6,119** persons to take the examination with a pass rate of **100%**

Create Value and Give Back to Society

Committed to the corporate spirit of "giving back to the community", Uni-President focuses on integrating economic and social benefits, and leverages its strengths and resources to create value for society. To give back to society, we keep dedicating resources to public welfare activities in such fields as disaster relief, protection of children's rights, care for vulnerable groups and caring community building to contribute to social development and fulfil corporate social responsibility.

The UN Sustainable Development Goals we have attended to

| 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION |

The Group implements the "Operational Standards on External Public Welfare Activities", the "Procedures of Donation for Public Security Events" and other relevant standards to regulate the Group's public welfare activities. We have set up a Public Welfare Planning Specialist, who is specialized in the collection of information, submission, liaison, statistics and evaluation of the benefits of public welfare activities. We have been actively engaged in public welfare donations in areas such as flood control and disaster relief, community building, poverty alleviation and caring for the disadvantaged.

During the reporting period

- The Group invested approximately RMB **3,646,056** in social welfare activities and natural disaster donations
- Spent approximately **4,720** hours

Disaster relief

Assistance in flood relief in Beijing

With the Super Typhoon "Doksuri" moving north, extreme rainfall occurred in North China from 29 July to 1 August 2023. The southwest of Beijing suffered severe floods and geological disasters, which greatly affected the production and life of local residents. Uni-President is concerned about the disaster-stricken residents and, under the coordination of the government, Uni-President Beijing took the initiative to allocate 800 boxes of drinking water and instant noodles to the disaster-stricken residents in Qinglonghu Town of Fangshang District immediately to help them overcome the shortage of drinking water and food.

Promote everyone's health

Uni-President 's support for the United Nations Sustainable Development Goal of "Good Health and Well-being" is not only reflected in the provision of safe, healthy and high-quality food to consumers, but also in our support for sports.

Support sport industry

In response to the call for national fitness and the guidance of an active lifestyle, "Haizhiyan" anchored the walking track and called on the majority of users to join the "national fitness" wave of sweating. In August 2023, "Haizhiyan" launched the 2023 "Haizhiyan Let's Sweat it Out" walking event in Guangzhou, where more than 7,000 participants started from the vicinity of the Mingxi Greenway with "Haizhiyan", enjoying the scenery along the way and the sweating joy brought by walking. They released summer dopamine and enjoyed the pleasure of walking and sweating. In order to let the participants experience the fun of exercise, the walking route was also set up with thematic interactive programs such as "Fun Bubble", "Fitness Rowing Machine", "Decibel Challenge", and "One Shot Dopamine Fueling Station", so that the participants could enjoy the unique fun of exercise while training their bodies through walking. At the same time, the brand concept "You can't struggle without sweating, and drink Haizhiyan after sweating" was widely disseminated.

"Haizhiyan" has actively assisted in the development of national sports events, donating products to marathons and hiking events in Yunnan, Hunan, Guangxi, Guangdong and other places.

In addition, we also provided drinks, food and other supplies for the Dalian International Hiking Conference, Guanmen Mountain Batulu Mountain Running, the national "Run for the Youth" children and youth theme fitness activities, the Harbin Marathon, the Shenyang Marathon, the "Asian Games - Private Enterprises Strive to be the First", the first private enterprise games in Qiantang District Hefei Economic Development Zone National Fitness Games Basketball League, and other sports events and sports activities, to support the health of the entire population.

Protect children's rights and interests

Business operations are directly or indirectly connected to or make an impact on children's life. Children are key stakeholders of business - as consumers, family members of employees, young workers, future employees and business leaders, and as key members of the communities and environments in which a business operates. We actively respond to and support the initiatives of United Nations Global Compact and United Nations International Children's Emergency Fund (UNICEF), adhering to the public welfare concept of "guarding children's growth together". With reference to the ten principles of the international "Children's Rights and Business Principles", we respect and support the integration of the concepts of children's rights into enterprise management and operation, and continuously promote the existing sustainable work.

Support the healthy growth of teenagers

Datou Kindergarten at Pinghe Town, Mixia Village Committee Kindergarten at Pinghe Town and Yiqi Kindergarten at Niukong Town in Lvchun County, Yunnan Province,, as an important part of the local basic education, undertake the mission of providing children with enlightenment education and promoting their all-round development. However, the living facilities, entertainment facilities, and art and sports teaching aids of these kindergartens are seriously inadequate or damaged, which affects children's study and life quality and restricts the proper education and teaching activity.

To help improve the teaching conditions of these kindergartens and meet the basic needs of teachers and students, Uni-President launched a school supporting activity in Lvchun County of Yunnan. Through the activity, we provided assistance funding to the three kindergartens to purchase daily living and entertainment necessities and art and sports teaching aids, including but not limited to children's books, toys, sports equipment, musical instruments and daily necessities. These necessities would be used to improve the teaching environment of kindergartens, enrich children's school life and promote their all-round development, thus enhancing education quality.
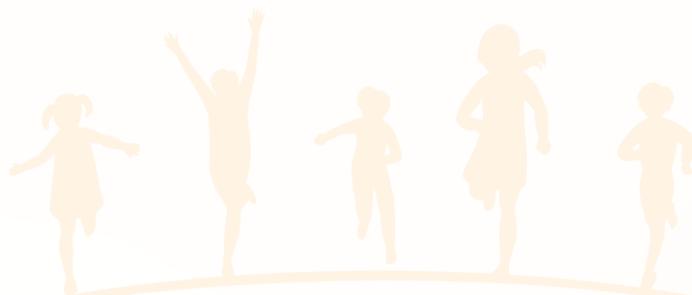
Care for vulnerable groups

Being committed to caring for the vulnerable groups in society, the Group provides life security for them to protect their physical and mental health. By continuously expanding brand perception and social influence, we will call for more people to care for and help the socially disadvantaged.

Visits to special schools

In September 2023, with the Mid-Autumn Festival approaching, the Labour Union of Kunshan Uni-President initiated a meaningful school supporting programme to visit a special school in Kunshan with care and expectation. Under the programme, Uni-President expressed love and care for special children by donating drinks and food worth RMB 15,000, which made those children feel the warm atmosphere of the festival and care of the society.

Care for the elderly

In August 2023, Chengdu Uni-President and Jinfu Community joined hands to launch a heart-warming activity to visit the elderly and families in need. We brought warmth and care to the elderly and needy families in the community by having a cordial talk with them to learn about their living conditions and presenting well-prepared gifts.

In September 2023, the Labour Union of Kunshan Uni-President organised a visit to Kunshan Welfare Institute during the Mid-Autumn Festival to make the elderly know that they would never be alone during festivals. Products worth approximately RMB 20,000 were donated to show our love and warmth to those who need it most through this activity.

In addition, we also participated in elderly care activities led by Changning District's Linkong Market Supervision and Administration Bureau to spread the warmth and care of the society.

Assist disadvantaged families

With the 2023 Spring Festival approaching, the Labour Union of Kunshan Uni-President organised a care activity for employees in difficulty and issued subsidies of RMB 12,000 to a total of 11 employees to make them feel the care of the Company and the Labour Union.

Guangzhou Uni-President actively responded to the activity of Guangdong Poverty Alleviation Day 2023 in Huangpu District. To contribute our efforts in solving the problem of unbalanced and inadequate development between urban and rural areas, build a beautiful countryside that is desirable to live and work in, and promote all-round rural revitalisation, Guangzhou Uni-President donated RMB 20,000 on 15 June to fulfil its social responsibility.

Build a caring community

The Group actively nurtures and promotes the culture of "willing to give and care for others and communities", and gives back to the society with love and care. By engaging in the voluntary activities in the community, the Group practices volunteerism and plays a positive role in developing a harmonious community.

Voluntary services

Adhering to the spirit of "dedication, fraternity, cooperation and improvement", the Group encourages its employees to volunteer in the community every year to send support, share love and deliver positive energy to all sectors of society.

In 2023, Hangzhou Uni-President, Shanghai Uni-President and Xinjiang Uni-President actively responded to the government's call and organised staff to donate blood several times to replenish the blood inventory in local hospitals and help patients in need.

Founded under the spirit and mission of "fulfilling responsibilities with love" in June 2020, the volunteer team of Kunshan Uni-President has recruited more than 200 volunteers. In 2023, the volunteer team carried out the "River Protection" activity, regularly patrolling and protecting the rivers in their spare time every month, so as to safeguard the ecological environment and build a beautiful and civilised city.

Care for grass-roots

In August 2023, Uni-President distributed Green Tea free of charge to those working under high temperatures at some of the "Cainiao post stations" in Suzhou, Nanning, Xiamen, Fuzhou, Quanzhou, Wuhan, Zhengzhou and Luoyang.
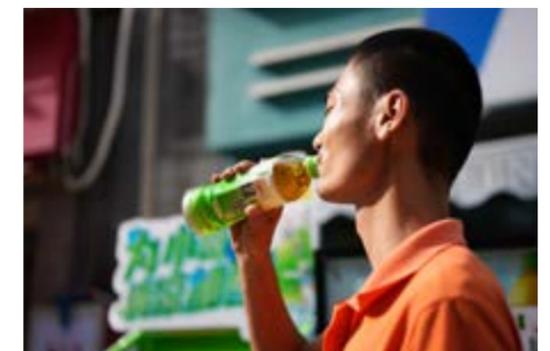
In addition, Hefei Uni-President expressed gratitude and love to outdoor workers by donating 50 boxes of drinks for heatstroke prevention, bringing a touch of coolness to the hot summer days. We also actively participated in the cooling summer activity of Linkong Economic Zone to show our concern for employees, front-line personnel and the newly employed under high temperature, spreading family-like warmth.

ESG Reporting Guide Index

KPI	Description	Section(s)	Pages
A1	Emissions: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Environmental management mechanism Climate change and energy management Emissions management	44 45 61
KPIA1.1	The types of emissions and respective emissions data	Climate change and energy management Emissions management	45 61
KPIA1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate change and energy management	45
KPIA1.3	Total hazardous waste produced and, where appropriate, intensity	Emissions management	61
KPIA1.4	Total non-hazardous waste produced and, where appropriate, intensity	Emissions management	61
KPIA1.5	Description of emissions target(s) set and steps taken to achieve them	Climate change and energy management Emissions management	45 61
KPIA1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions management	61
A2	Use of Resource General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Environmental management mechanism Climate change and energy management Green packaging materials management Water resource management	44 45 59 57
KPIA2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate change and energy management	45
KPIA2.2	Water consumption in total and intensity.	Water resource management	57
KPIA2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate change and energy management	45
KPIA2.4	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.	Water resource management	57
KPIA2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Green packaging materials management	59

KPI	Description	Section(s)	Pages
A3	The Environment and Natural Resources General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Embrace a Low-carbon and Green Future	41
KPIA3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Embrace a Low-carbon and Green Future	41
A4	Climate Change General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change and energy management	45
KPIA4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change and energy management	45
B1	Employment General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Introduce and cultivate talents	71
KPIB1.1	Total workforce by gender, employment type, age group and geographical region.	Introduce and cultivate talents	71
KPIB1.2	Employee turnover rate by gender, age group and geographical region.	Introduce and cultivate talents	71
B2	Health and Safety General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Guard health and safety	83
KPIB2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Guard health and safety	83
KPIB2.2	Lost days due to work injury.	Guard health and safety	83
KPIB2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Guard health and safety	83
B3	Development and Training General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Introduce and cultivate talents	71
KPIB3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Introduce and cultivate talents	71
KPIB3.2	The average training hours completed per employee by gender and employee category.	Introduce and cultivate talents	71
B4	Labour Standards General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Introduce and cultivate talents	71
KPIB4.1	Description of measures to review employment practices to avoid child and forced labour.	Introduce and cultivate talents	71
KPIB4.2	Description of steps taken to eliminate such practices when discovered.	Introduce and cultivate talents	71

KPI	Description	Section(s)	Pages
B5	Supply Chain Management General Disclosure: Policies on managing environmental and social risks of the supply chain.	Proper supply chain management	93
KPIB5.1	Number of suppliers by geographical region.	Proper supply chain management	93
KPIB5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Proper supply chain management	93
KPIB5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Proper supply chain management	93
KPIB5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Proper supply chain management	93
B6	Product Responsibility General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Prioritise food safety Optimise customer experience Protect customers' interests and rights	25 96 101
KPIB6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Prioritise food safety	25
KPIB6.2	Number of products and service related complaints received and how they are dealt with.	Optimise customer experience	96
KPIB6.3	Description of practices relating to observing and protecting intellectual property rights.	Protect customers' interests and rights	101
KPIB6.4	Description of quality assurance process and recall procedures.	Prioritise food safety	25
KPIB6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protect customers' interests and rights	101
B7	Anti-corruption General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Take Responsibility to Empower Sustainable Development	13
KPIB7.1	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.	Take Responsibility to Empower Sustainable Development	13
KPIB7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Take Responsibility to Empower Sustainable Development	13
KPIB7.2	Description of anti-corruption training provided to directors and staff.	Take Responsibility to Empower Sustainable Development	13
KPIB8	Community Investment General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Create Value and Give Back to Society	103
KPIB8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Create Value and Give Back to Society	103
KPIB8.2	Resources contributed (e.g. money or time) to the focus area.	Create Value and Give Back to Society	103

GRI Standards Index

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 2: General Disclosures 2021	2-1 Organizational details	About Uni-president	07
	2-2 Entities included in the organization's sustainability reporting	About Uni-president	07
	2-3 Reporting period, frequency and contact point	About Uni-president	07
	2-4 Restatements of information	About Uni-president	07
	2-5 External assurance	Please refer to the annual report	
	2-6 Activities, value chain and other business relationships	About Uni-president	07
	2-7 Employees	About Uni-president	71
	2-8 Workers who are not employees		
	2-9 Governance structure and composition	Take Responsibility to Empower Sustainable Development	13
	2-10 Nomination and selection of the highest governance body	Please refer to the annual report	/
	2-11 Chair of the highest governance body	Take Responsibility to Empower Sustainable Development	13
	2-12 Role of the highest governance body in overseeing the management of impacts	Social responsibility governance	17
	2-13 Delegation of responsibility for managing impacts	Social responsibility governance	17
	2-14 Role of the highest governance body in sustainability reporting	Social responsibility governance	17
	2-15 Conflicts of interest	Please refer to the annual report	/
	2-16 Communication of critical concerns	Social responsibility governance	17
	2-17 Collective knowledge of the highest governance body	Take Responsibility to Empower Sustainable Development	13
	2-18 Evaluation of the performance of the highest governance body	Please refer to the annual report	/
	2-19 Remuneration policies	Please refer to the annual report	/
	2-20 Process to determine remuneration	/	/
	2-21 Annual total compensation ratio	/	/
	Disclosure 2-22 Statement on sustainable development strategy	Chairman's Statement	03
	2-23 Policy commitments	Social responsibility governance Introduce and Cultivate Talents	17 71
	2-24 Embedding policy commitments	Social responsibility governance Take Responsibility to Empower Sustainable Development	13 17
	2-25 Processes to remediate negative impacts	Take Responsibility to Empower Sustainable Development	13
	2-26 Mechanisms for seeking advice and raising concerns	Take Responsibility to Empower Sustainable Development	13
	2-27 Compliance with laws and regulations	No such incidents	/
	2-28 Membership associations	Please refer to the annual report	33
	2-29 Approach to stakeholder engagement	Social responsibility governance	17
	2-30 Collective bargaining agreements	Introduce and Cultivate Talents	71

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 3: Material Topics 2021	3-1. Guidance to determine material topics	Social responsibility governance	17
	3- 2. Disclosures on material topics	Social responsibility governance	17
	3-3 Management of material topics	Social responsibility governance	17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Uni-president	07
	201-2 Financial implications and other risks and opportunities due to climate change	Climate change and energy management	45
	201-3 Defined benefit plan obligations and other retirement plans	/	/
	201-4 Financial assistance received from government	/	/
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/	/
	202-2 Proportion of senior management hired from the local community	/	/
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Create Value and Give Back to Society	103
	203-2 Significant indirect economic impacts	Create Value and Give Back to Society	103
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Proper supply chain management	93
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Take Responsibility to Empower Sustainable Development	13
	205-2 Communication and training about anti-corruption policies and procedures	Take Responsibility to Empower Sustainable Development	13
	205-3 Confirmed incidents of corruption and actions taken	Take Responsibility to Empower Sustainable Development	13
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not involved	/
GRI207: Tax 2019	207-1 Approach to tax	Please refer to the annual report	/
	207-2 Tax governance, control, and risk management	Please refer to the annual report	/
	207-3 Stakeholder engagement and management of concerns related to tax	Please refer to the annual report	/
	207-4 Country-by-country reporting	Please refer to the annual report	/
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Green packaging materials management	59
	301-2 Recycled input materials used	Green packaging materials management	59
	301-3 Reclaimed products and their packaging materials	Green packaging materials management	59
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate change and energy management	45
	302-2 Energy consumption outside of the organization	/	/
	302-3 Energy intensity	Climate change and energy management	45
	302-4 Reduction of energy consumption	Climate change and energy management	45
	302-5 Reductions in energy requirements of products and services	Climate change and energy management	45

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water resource management	57
	303-2 Management of water discharge-related impacts	Emissions management	61
	303-3 Water withdrawal	Water resource management	57
	303-4 Water Discharge	Emissions management	61
	303-5 Water Consumption	Water resource management	57
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No such site	/
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impact	/
	304-3 Habitats protected or restored	No such site	/
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	No such site	/
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change and energy management	45
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change and energy management	45
	305-3 Other indirect (Scope 3) GHG emissions	/	/
	305-4 GHG emissions intensity	Climate change and energy management	45
	305-5 Reduction of GHG emissions	Climate change and energy management	45
	305-6 Emissions of ozone-depleting substances (ODS)	/	/
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	/	/
GRI 306: Waste 2016	306-1 Waste generation and significant waste-related impacts	Emissions management	61
	306-2 Management of significant waste related impacts	Emissions management	61
	306-3 Waste generated	No significant spills	/
	306-4 Waste diverted from disposal	/	/
	306-5 Waste directed to disposal	No such water bodies	/
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Proper supply chain management	93
	308-2 Negative environmental impacts in the supply chain and action taken	Proper supply chain management	93
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Introduce and cultivate talents	71
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Introduce and cultivate talents	71
	401-3 Parental leave	Introduce and cultivate talents	71
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Strictly abide by relevant laws and regulations of various countries/regions	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Guard health and safety	83
	403-2 Hazard identification, risk assessment, and incident investigation	Guard health and safety	83
	403-3 Occupational health services	Guard health and safety	83
	403-4 Worker participation, consultation, and communication on occupational health and safety	Guard health and safety	83
	403-5 Worker training on occupational health and safety	Guard health and safety	83
	403-6 Promotion of worker health	Guard health and safety	83
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Guard health and safety	83
	403-8 Workers covered by an occupational health and safety management system	Guard health and safety	83
	403-9 Work-related injuries	Guard health and safety	83
	403-10 Work-related ill health	Guard health and safety	83
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Introduce and cultivate talents	71
	404-2 Programs for upgrading employee skills and transition assistance programs	Introduce and cultivate talents	71
	404-3 Percentage of employees receiving regular performance and career development reviews	/	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Introduce and cultivate talents	71
	405-2 Ratio of basic salary and remuneration of women to men	/	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Introduce and cultivate talents	71
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/	/
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Introduce and cultivate talents	71
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Introduce and cultivate talents	71
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	/	/
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable	/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Create Value and Give Back to Society	103
	413-2 Operations with significant actual and potential negative Impacts on local communities	No such sites	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Proper supply chain management	93
	414-2 Negative social impacts in the supply chain and actions taken	Proper supply chain management	93
GRI 415: Public Policy 2016	415-1 Political contributions	No political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Prioritise food safety	25
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents	/
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Protect customers' interests and rights	101
	417-2 Incidents of non-compliance concerning product and service information and labeling	No such incidents	/
	417-3 Incidents of non-compliance concerning marketing communications	No such incidents	/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protect customers' interests and rights	101

Assurance Report

INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: SRA 804523

Uni-President China Holdings Ltd.

Sustainability Report 2023

The British Standards Institution is independent of Uni-President China Holdings Ltd. and its subsidiaries (hereafter referred to as "Uni-President" collectively in this statement) and has no financial interest in the operation of Uni-President other than for the assessment and assurance of Uni-President Sustainability Report 2023 (the "Report").

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of Sustainability Report 2023 presented by Uni-President. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and adequate.

Scope

The scope of engagement agreed upon with Uni-President includes the following:
1. The assurance scope is consistent with the description of Uni-President China Holdings Ltd. Sustainability Report 2023. The Report is prepared in accordance with HKEX, Main Board, Appendix C2: Environmental, Social and Governance Reporting Guide and refers to the GRI standards: 2021.
2. In accordance with Type 1 Moderate Level of Assurance as defined in the AA1000 Assurance Standard v3 ("AA1000AS v3"), BSI evaluates the nature and extent of Uni-President's adherence to four reporting principles of Inclusivity, Materiality, Responsiveness and Impact in preparing the Report. Therefore the reliability of specified sustainability performance information/data disclosed in the Report has not been evaluated.

Opinion Statement

We conclude that the Report provides a fair view of Uni-President's sustainability plan and performance in the reporting year. We believe that the environmental, social and governance general disclosures and key performance are fairly represented in the Report, in which Uni-President's efforts to pursue sustainable development are recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS V3. We planned and performed this part of our work to obtain the necessary information and explanations. We considered Uni-President has provided sufficient evidence that Uni-President's self-declaration of compliance with HKEX, Main Board, Appendix C2: Environmental, Social and Governance Reporting Guide was fairly stated.

For and behalf of BSI：

Michael Lam – Managing Director Assurance, APAC

Issue Date: 2024-04-23   Effective Date: 2024-04-23

...making excellence a habit.

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Methodology

Our work was designed to gather evidence on which to base our conclusion.

We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to Uni-President's policies to provide a check on the appropriateness of statements made in the Report.
- Discussion with senior executives on Uni-President's approach to stakeholder engagement. We had no direct contact with external stakeholders.
- Interview with staff involved in sustainability management, report preparation and provision of report information.
- Review of key organizational developments.
- Review of supporting evidence for claims made in the Report, and.
- An assessment of the Uni-President reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles 2018 Standard ("AA1000AP (2018)").

Conclusions

A review against the AA1000AS V3 principles of Inclusivity, Materiality, Responsiveness and Impact and HKEX, Main Board, Appendix C2: Environmental, Social and Governance Reporting Guide is set out below:
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that data and information stated in the Reporting Organization's Sustainability Report is not correctly presented or with omission in any material respects or that Inclusivity, Materiality Responsiveness and Impact based on AA1000 criteria are not correctly addressed.

Assurance Level

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this statement.

Responsibilities

It is the responsibility of Uni-President's senior management to ensure that the information being presented in the Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Ability and Independence

The assurance team was composed of Lead Assurer and Assurer, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI Series Standards, AA1000, HKEX ESG Reporting Guide, ISO 14064, ISO 14001, ISO 50001, ISO 45001, ISO 9001, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

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統一企業中國控股有限公司
UNI-PRESIDENT CHINA HOLDINGS LTD.
(a company incorporated in the Cayman Islands with limited liability)
(一家於開曼群島註冊成立的有限公司)
(Stock Code 股份編號：220)