



2024

Environmental,
Social and
Governance Report

Tsingtao Brewery Co., Ltd.



About This Report

Scope of Report

This is the seventeenth annual report on sustainable development of Tsingtao Brewery Co., Ltd. ("Tsingtao Brewery"), covering the period from January 1, 2024 to December 31, 2024, gathering data and information on the sustainable development practices of Tsingtao Brewery's 57 wholly-owned and controlled brewery enterprises, and 2 associated and joint venture brewery enterprises in China. Based on the continuity and comparability of the Report, some data and information are not limited to 2024.

Preparation Basis

This Report has been prepared in accordance with the requirements of No. 14 Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange – Sustainability Report (Trial), Appendix C2 Environmental, Social and Governance Reporting Code of the Main Board Listing Rules of the Hong Kong Exchanges and Clearing Limited, and with reference to relevant requirements such as the GRI Standards 2021 and the Reference Indicator System for ESG Special Reports of Central Enterprise Controlled Listed Companies issued by the State-owned Assets Supervision and Administration Commission of the State Council.

Principles of Preparation

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

Importance

The Company has identified important business-related issues of concern to investors and other stakeholders as the focus of this Report. The report on important issues in this Report also focuses on the characteristics of the industry involved in the Company's production and operations as well as the characteristics of the region. The material issues analysis process and results are detailed in the "Analysis of Material Issues" section of this Report. Meanwhile, the Report highlights environmental, social and corporate governance issues that may have a significant impact on stakeholders.

Quantification, Comparability and Consistency

This Report discloses key data performance indicators, and some of the key disclosures involve three years of historical data. The statistics and disclosure of the indicators in this Report are consistent so that stakeholders can analyze and assess the trend of the Company's ESG performance level.

Accuracy and Verifiability

This Report is as accurate as possible. A third-party appraisal unit has been employed for further accounting of the key data to ensure that the content of the disclosed information will not mislead the information users. The contents of the Report have been reviewed and approved by the Board of Directors, and there are no false records, misleading statements or material omissions.

Clarity

This Report is available in Simplified Chinese, Traditional Chinese and English for the convenience of all investor groups. This Report contains tables, graphs and other information to facilitate better understanding of the text by stakeholders. To facilitate faster access to information by stakeholders, this Report provides a Table of Contents and an Index of ESG Indicators.

Timeliness

This is an Annual Report which is published together with the Company's annual Financial Report to provide stakeholders with timely information for decision-making.

Appellation

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

Publishing Method

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



Contents

A Message from the Chairman	02
Sustainable Development Indicators	04
About Us	06

Compliance and Sound Operation	08
Environmental, Social and Governance Management	09

01



Focusing on Brewing Good Beer for 121 Years

Food Safety and Quality	14
Product Full Process Management	17
Creating Happiness for Life	22

02



For a Better World

Addressing Climate Change	33
Water Resources Management	42
Energy Management and Efficient Use	46
Packaging and Waste	48
Green Development	51

03



Giving the Stage to the Endeavors and Applauding the Achievers

Occupational Health and Safety	56
Protection of Rights and Interests	58
Employee Growth and Innovation Culture	62
Employee Care	69

04



Creating Social Value Together

Sustainable Supply Chain	74
Care for the Community	79

(Selected) Honors of Tsingtao Brewery 2024	85
Third-party Evaluation	86

Index of ESG Indicators	88
Your Feedback	92



A Message from the Chairman

For 121 years, Tsingtao Brewery has maintained its prosperity relying on the unswerving adherence of all members generation after generation. Based on the corporate mission of “Creating Happiness for Life” and the century-old motto of “Great People Brewing Good Beer”, Tsingtao Brewery has adhered to the core values of “Integrity and Innovation”, making continuous innovation and change, and ensuring that the enterprise is navigating on the right channel and standing against the tide after one hundred years.

Innovation Forging Resilience for Sustainable Development

In 2024, we continued to build a solid foundation of quality with ingenuity for one hundred years in the deep interaction with the characteristics of the times, and integrated the persistent pursuit of quality into every drop of liquor; constantly breaking through the existing boundaries with multi-dimensional “refreshing”, we tempered the sustainable development resilience and ability with hard work and practice to support the stable, and long-term and transperiodic corporate development, and establish a vigorous ecosystem of value sharing.

Enhance the “Innovation Content” in Sustainable Development

Strengthen the advantages of high-quality development, and build a systematic innovation engine guided by technological innovation. Tsingtao Brewery gives play to the main role of enterprise innovation. One of the Company’s key technologies won the Second Prize of National Science and Technology Progress Award in 2024. As the only enterprise in China’s beer industry that has won this honor for four times, Tsingtao Brewery is leading the industry to continuous exploration and progress. The new R&D center has been put into operation, and the cooperation with the global innovation chain, industrial chain and supply chain has been expanding, injecting a strong impetus for enterprise innovation.

We have accelerated product innovation by launching new products such as Augerta A Series and Osmanthus White Beer, sped up the smart operation of instant retailing of high-end fresh products, and realized fresh direct delivery of Fine Original and Crystal Draft in 24 cities. Furthermore, we have actively promoted new forms of consumption, integrated online and offline, and carried out live streaming sales, e-commerce exclusive customization, etc., to create

a convenient and diversified consumption experience. By improving quality through innovation, the enterprise operating efficiency and sustainable development capacity have been continuously improved, and good operating results have been achieved.

Enhance the “Intelligence Content” in Sustainable Development

Tsingtao Brewery has actively promoted the deep integration of the digital economy and the real economy, continuously improved its value creation ability through digital and intelligent transformation, and boosted the quality and efficiency improvement of traditional industries. In recent years, a series of new concepts, new technologies and new means have been used to advance and upgrade traditional manufacturing, drive the innovative allocation of production factors, and promote the industrial upgrading with high-end, intelligent, green and clustering as the focus, and building a more solid foundation of high-quality development of century-old Tsingtao Brewery.

In digital transformation of marketing, we have connected online and offline consumption scenarios through the digitization of channels and online consumers, and successfully built a close and accurate communication bridge with terminals and consumers. Meanwhile, we have continued to improve the digital function and organization, upgraded the process framework, built a data management system, and made the digital base more solid. Opening up new fields and new tracks at the forefront of the times, we have established Qingdao Jiuyuan Technology Co., Ltd. to enter the field of digital technology industry, building the enterprise digital ecosystem, and consolidating the digital momentum of sustainable corporate development.



Enhance the “Green Content” in Sustainable Development

Enable green transformation with technology, and take a new path of green and “low-carbon” development. After being awarded the first Lighthouse Factory in the global food and beverage industry, Tsingtao Brewery was once again promoted to “Sustainable Lighthouse Factory” in 2024, setting a green development benchmark for the global food and beverage industry. After Jinan Company and Suizhou Company were included into the first batch of Carbon Neutral Factories, Tsingtao Brewery has 23 National Green Factories, ranking first in the beer industry, and has been included into the ESG Vanguard 100 Index of Listed State-owned Enterprises of State-owned Assets Supervision and Administration Commission of the State Council.

Furthermore, Tsingtao Brewery actively explores new models and new paths for green development of the traditional manufacturing industry and sustainable development of the whole value chain, plays the leading role of leading enterprises, and carries out energy conservation, emission reduction and carbon reduction actions in the upstream and downstream of the industrial chain to create an efficient ecological green industrial cluster. Actively involved in public welfare undertakings, we have further carried out a series of effective actions on rural revitalization, ecological conservation in the Yellow River Basin, disaster relief, poverty alleviation, and education.

“Build” the Foundation with Ingenuity, “Win” the Future with Innovation, and Embark on a New Journey with Hard Work. In 2025, we will continue to be led by technological innovation, and establish an efficient and synergistic innovation ecosystem through a series of systematic innovation initiatives. We have always believed that, with persistent “Integrity and Innovation”, we will be able to forge a more resilient sustainable development capacity, provide more and better products and services for consumers, create more shared value for the community, and add a touch of green development for the Earth. Let’s work together to create a better future for sustainable development!

Tsingtao Brewery Co., Ltd.

Chairman and President



Sustainable Development Indicators

Economic Responsibility

Over the years, the Company has attached great importance to the return of investors, and the accumulated cash dividends over 28 years (since listing in 1993 to 2023) had reached RMB **15.577** billion

Sales volume in 2024

7,538,000 Kilolitres

Net profit attributable to shareholders
of parent company in 2024

RMB **4.345** Billion

Value of social contribution
per share in 2024

RMB **11.327**

Operation revenue in 2024

RMB **32.138** Billion

Earnings per share in 2024

RMB **3.191**





Environmental Responsibility



Corporate Social Responsibility



About Us

Company Profile

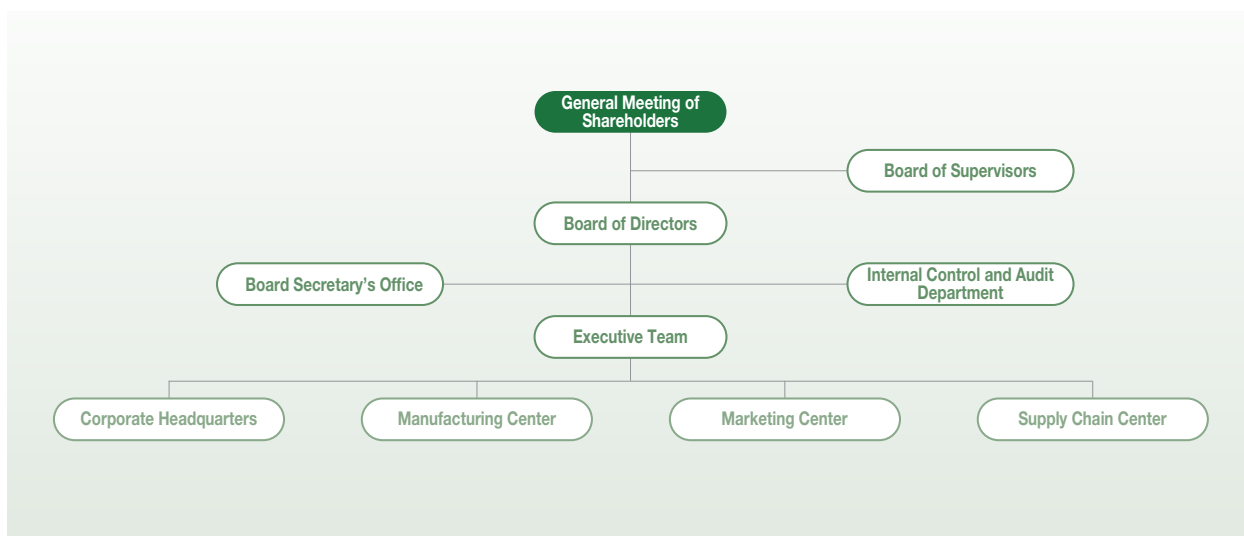
Tsingtao Brewery, founded in 1903, is a long-established beer manufacturer in China. Listed in both Shanghai and Hong Kong in 1993, it was the first Chinese mainland enterprise listed in Hong Kong. Tsingtao Brewery has 57 wholly-owned and controlled brewery enterprises, and 2 associated and joint venture brewery enterprises in China, making it a leading player in the Chinese beer industry in terms of size and market share. With products exported to 120 countries. It is one of the most famous Chinese brands in the international market. As an official sponsor of the 2008 Beijing Olympic Games and the 2022 Beijing Winter Olympic Games, Tsingtao Brewery has a brand value of RMB264.675 billion, ranking among the world's top 500 brands.

The Party Committee of Tsingtao Brewery was awarded the honorary title of National Advanced Grassroots Party Organization on the 100th anniversary of the founding of the Chinese Communist Party. Relying on the only State Key Laboratory of Beer Bio-fermentation Engineering in the brewing industry, Tsingtao Brewery has built a global and systematic innovation engine led by technological innovation in recent years, focusing on product innovation, channel innovation, scenario innovation, brand innovation and sustainable development innovation led by technological innovation. Tsingtao Brewery has won the Second Prize of the only four National Science and Technology Progress Awards in the beer industry; the management model of "Charm-perceived Quality Based on Digital End-to-End Decoding" created by the Company won the First Prize of the National Enterprise Management Modernization Innovation Achievement. Tsingtao Brewery was honored as the world's first "Lighthouse Factory" of industrial Internet in the beer and beverage industry, and the world's first "Sustainable Lighthouse Factory" in the food and beverage industry. The Company has been honored with and nominated for China Quality Award repeatedly. The products have been repeatedly honored with the European Beer Star Award, the Gold Award of the World Beer Championships, the Gold Award of the Brussels Beer Challenge, the Gold Award of the Asia International Beer Competition, Tianlu Award and Qingzhao Award. Tsingtao Brewery has also been included into the List of Pilot State-owned Enterprises of Digital Transformation of the State-owned Assets Supervision and Administration Commission of the State Council, rated Inauguration Unit and Excellent Scenario of 2023 Intelligent Manufacturing Demonstration Factory of the Ministry of Industry and Information Technology, rated 2023 China Industrial Carbon Peaking Leader, and included into 2023-2024 ESG Vanguard 100 Index of Listed State-owned Enterprises of State-owned Assets Supervision and Administration Commission of the State Council.

Based on the corporate mission of "Creating Happiness in Life" and the century-old motto of "Great People Brewing Good Beer", Tsingtao Brewery has adhered to the core values of "Integrity and Innovation", committed to "growing into a world-class enterprise with global influence brands".

Corporate Governance

Since its listing, the Company has been actively exploring and implementing a corporate governance structure that is in line with international standards, committed to the standardized operation of the governance structure and the timely and accurate disclosure of information on its operating conditions and significant matters. As of December 31, 2024, the 10th Board of Directors of Tsingtao Brewery Co., Ltd. had been composed of a total of 7 directors, including 3 executive directors and 4 independent directors (including 1 female director); The 10th Board of Supervisors had consisted of 5 supervisors, including 2 external supervisors and 3 employee supervisors (including 2 female supervisors). The Company is one of the first listed companies in China to establish a structure of Board of Directors composed of a majority of external directors. The current independent directors of the Company come from different professional backgrounds and have extensive professional experience in law, finance and accounting, as well as financial investment and marketing.



In accordance with the changes in the securities regulatory laws and regulations of the Chinese mainland and Hong Kong and the listing rules of the listed places, the Company held an extraordinary general meeting of shareholders in late January 2024. The Articles of Association and the Rules of Procedure of the Three Committees of the Company were comprehensively revised in accordance with the latest securities regulations and listing rules. In accordance with the new regulations on independent directors and the revisions of the Articles of Association, the Independent Director System of Tsingtao Brewery Co. Ltd., the Working Rules of the Audit and Internal Control Committee of the Board of Directors of Tsingtao Brewery Co., Ltd., the Working Rules of the Nomination and Remuneration Committee of the Board of Directors of Tsingtao Brewery Co., Ltd. and the Working Rules of the Strategy and Investment Committee of the Board of Directors of Tsingtao Brewery Co., Ltd. were also revised to further clarify the main responsibilities of the specialized committees of the Board of Directors.

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

In 2024, the Company held earnings presentations, and the key executives participated in the Company's major investor communication events to communicate with investors and digitally enhance investor relations management. Meanwhile, we continue to strengthen our communication with domestic and foreign investors through daily conference calls and actively participate in the collective activities of investor education and protection for listed companies under the jurisdiction.

Honors in the Capital Markets

In 2024, the Company received a number of awards for its excellence in governance practices, information disclosure and investor relations management:



Rated 2023 Best Practice Case in Investor Relations of Listed Companies by China Association for Public Companies



Honored with Golden Information Disclosure Award at 2023 Listed Companies Golden Bull Awards of China Securities Journal



Top 100 Value Listed Companies on the Main Board and Meritorious Board Secretary Award by Securities Times



Rated 2024 Board Excellent Practice Case and Board Office Best Practice Case of Listed Companies by China Association for Public Companies



Rated 2024 Advanced Unit in Investor Protection by Qingdao Association for Public Companies



Compliance and Sound Operation

Risk Control and Management

The Company integrates ESG standards and requirements into the internal control system to ensure the effective implementation of ESG objectives and strategies. By strengthening the communication and collaboration among relevant functional departments, the Company shares ESG-related data and information, evaluates the change trend and potential impact of ESG risks, and ensures compliant and sustainable corporate development.

The Company has formulated the Risk Management System and Risk Assessment Process. In 2024, the Risk Assessment Process was revised to include the ESG risks in the scope of risk assessment, and the tools and methods of risk assessment were refined. The Company developed ESG strategy and management priorities based on the results of ESG risk assessment to address internal and external ESG risks and opportunities, and ensure that the strategy and practice are aligned with its long-term objectives.

In 2024, the Company organized a special assessment on climate risks to identify relevant risks and opportunities affecting sustainable corporate development, and to keep the risks within the acceptable range through the formulation of relevant policies, procedures and control measures, so as to deal with the risks caused by climate change and pollutant emission. Meanwhile, ESG risk related information was disclosed in accordance with ESG reporting requirements.

The relevant functional departments of the Company evaluate the effectiveness of the ESG risk management system at least once a year to ensure the sound and effective operation of the system.

Business Ethics and Compliance

The Company strictly abides by *The Constitution of the People's Republic of China*, *The Criminal Law of the People's Republic of China* and *The Regulations on the Implementation of the Supervision Law of the People's Republic of China*, and implements the relevant provisions of *The Anti-Unfair Competition Law of the People's Republic of China* and *The Anti-Money Laundering Law of the People's Republic of China* on bribery, extortion, fraud and money laundering.

The Company abides by business ethics and attaches importance to compliance management. Employees are educated to operate in good faith, be honest and self-disciplined, abide by laws and regulations, and perform their duties correctly; the management system is constantly improved and employee behaviors are standardized to control compliance risks; by carrying out supervision and inspection, compliance review, special audit, responsibility investigation and other work, the Company prevents and resolves

compliance risks and ensures compliance; special compliance guidelines in key areas such as production safety and food safety are issued; various compliance management operation mechanisms are implemented, and a legal and regulatory identification, transformation evaluation mechanism is put in place; continuous efforts are made to strengthen the building of compliance management team and compliance culture, improve the compliance awareness and skills of all employees. The Company has issued compliance guidelines in the field of competition and established a list of compliance risks in the field of competition, and regularly evaluates relevant risks, and fairly participates in market competition.

During the reporting period, the Company had no lawsuits or major administrative penalties due to unfair competition, and no illegal cases due to the significant impact of bribery, extortion, fraud and money laundering.

Intellectual Property Protection

Tsingtao Brewery abides by the *Trademark Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China* and other laws and regulations related to intellectual property rights, and has revised internal systems such as the Intellectual Property Rights Management System and continuously operated the intellectual property compliance

management system. These efforts are to regulate the rights to intellectual property rights such as trademarks, patents, and copyrights and the maintenance and use of these rights, and to prevent infringement upon the intellectual property rights of others, so as to provide protection for the high-quality and innovative development of the Company.



Environmental, Social and Governance Management

ESG Statement of the Board of Directors

Tsingtao Brewery highly recognizes the importance of Environmental, Social and Governance (ESG) to the Company's long-term and sound operation. In accordance with the requirements of the Code on Corporate Governance for Listed Companies of the China Securities Regulatory Commission, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial), the Code on Corporate Governance and Appendix C2 Guidelines on Environmental, Social and Governance Reporting to Main Board Listing Rules of the Stock Exchange of Hong Kong Limited, the Company and its Board of Directors have established a three-level ESG governance structure at the decision-level, supervisory level and executive level with clear powers, hierarchical management and well-defined responsibilities. The supervision and participation of the Board of Directors in the Company's ESG affairs have been continuously strengthened; we have actively integrated ESG into the Company's development strategy, major decisions and production and operation, and established an effective ESG management and governance mechanism.

At the decision-making level: The Board of Directors has established a Strategy and Investment Committee to review the Company's environmental, social and corporate governance policies and strategies to ensure compliance with laws, regulations and standards; the Strategy and Investment Committee has one convener who is served by the secretary of the Party Committee and the Chairman of the Board, and three other members who are independent directors. The Strategy and Investment Committee assesses and identifies environmental, social and governance related risks and opportunities; reviews the Company's environmental, social and corporate governance and internal control systems and puts forward recommendations to the Board of Directors on their appropriateness and effectiveness; it also reviews and supervises the objectives and implementation of the Company's environmental, social and corporate governance related work, and evaluates the performance of the work; the Strategy and Investment Committee further reviews the Company's external environmental, social and governance reports, and guides the development of the Company's environmental, social and corporate governance management vision, goals and strategies.

At the supervision level: Tsingtao Brewery has set up a leading group for environmental, social and corporate governance to formulate the overall plan, system, policy, strategy and objectives

of ESG management, studied specific work according to the overall ESG strategy and direction, and identified ESG risks and conducted internal and external significance assessments; the Company has formulated ESG work plan and set work objectives, coordinated and guided ESG related functional departments in setting key performance indicators and continuously optimizing them; we have also identified sources of ESG-related data and developed management policies for future collection of such data; we have further coordinated and instructed the relevant ESG functional departments to jointly promote the effective implementation of the work, prepared the ESG report and completed other related work.

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



Stakeholder Communication

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

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



Analysis of Material Issues

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

Issue Evaluation Process

Issue Identification

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

Defining the Scope of Stakeholders

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

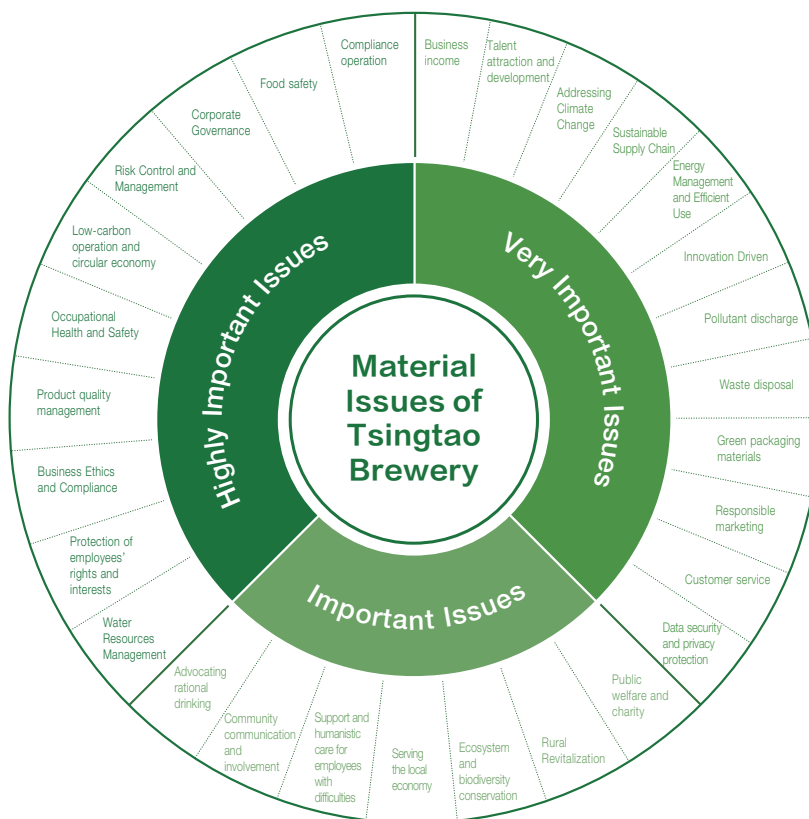
Issue Communication and Analysis

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

According to the external development trend and the characteristics of our own business operations, we, on a regular basis, further review the content of major issues, and ensure the timeliness and rationality of major issues according to the degree and boundaries of disclosure. Now the Company has sorted out 29 material issues – "highly important issues", "very important issues" and "important issues" according to the degree of importance and attention, and mapped out a list of material issues.

Issue Review and Confirmation

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





01

Focusing on Brewing Good Beer for 121 Years

Focusing on high-end, intelligent and green transformation of traditional manufacturing in recent years, Tsingtao Brewery has continuously improved the level of innovation in technology, production and management. Upholding the mission of "Creating Happiness for Life" and the quality concept of "Crafting perceptual quality with charm", Tsingtao Brewery seizes the consumption trend, continuously stimulates the innovation power, optimizes the service system, and continuously meets consumers' demands for high-end, diversified, personalized and scenario-based products through development of multi-category products.



Food Safety and Quality	14
Product Full Process Management	17
Creating Happiness for Life	22

Food Safety and Quality

Food Safety Management Policy

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

Strategic Management of Food Safety

Tsingtao Brewery has established a food safety management system covering the whole life cycle of products and realized a closed-loop control process for food safety. The Company has been certified by the HACCP and FSSC22000, and implements TACCP to conduct third-party testing and monitoring of the whole supply chain for food safety, and further adopts VACCP.

Whole Chain Food Safety Control

Tsingtao Brewery adheres to the food safety management concept of “building the safety dam on the tip of the tongue”, practises the food safety management of the whole supply chain, and establishes a food safety management system for the whole life cycle of products involving source materials, production process and logistics sales, covering more than 30 management processes such as GMP, production process hazard analysis, and food protection management. A dynamic prevention and control mechanism for food safety risks has been established and implemented to investigate the whole chain, the all entities and full categories of food safety risks. The food safety risks are identified and organized based on the two main lines of “regional hierarchical control + whole process control”, building a systematic dynamic management mode for food safety risk prevention and control. The “Tsingtao Brewery Manufacturing Factory Food Safety Compliance Guidelines” have been formed and implemented throughout the Company.





Implementing controls against international food safety standards:

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

Rigorous Control at the Source:

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

Rigorous Risk Control:

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

We have further established the food safety information monitoring platform, and stayed updated with the changes of laws, regulations and standard. In 2024, the Company improved the food safety indicators in 2 internal control standards, implemented 4 food safety policies, regulations and standards and 3 food safety hot issues, and formulated corresponding control measures to avoid food safety risks.

Rigorous Process Control:

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

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



Food Safety Policies,
Regulations and Standards

4

Upgraded Food Protection



Completing Food Protection Configuration and Management Standardization

The manufacturing plants have defined the food protection level and clearly divided the classification area; the upgrading of food protection configuration in manufacturing plants has been realized; the authority management and behavior norms of personnel in each area are strictly enforced to realize the entry management of authorized personnel, full coverage of monitoring and authorization management of monitoring and inspection. Video surveillance in key monitoring areas has been upgraded to an AI personnel behavior recognition system to realize the identification and alarm of non-authorized personnel approaching.



Implementing Janitor Upgrade Management

Employees use the face recognition system, while temporary visitors and logistics vehicles adopt the reservation procedures, and are not allowed to enter without reservation and review; External personnel should be accompanied by specially-appointed personnel from entry into and exit from the factory.



Food protection extending from within the Company up and down the supply chain

Work with upstream suppliers to improve and implement food protection measures covering the entire raw material supply chain. All raw material carriers have completed the advance registration, and signed the "Commitment of No Adverse Record". The raw material transport vehicles to enter into the factory shall make an appointment in advance and the relevant information shall be carefully checked; the food protection management of downstream finished product carriers is strengthened. The TMS, Beidou positioning, electronic signature and other technical means have been used to strengthen the protection and track management of the whole transportation process, and the normal logistics quality and safety verification has been launched to ensure the controllable and traceable quality of finished products.



Food safety and quality safety
pass rate

100%

Compliance rate of food safety
Indicators and national quality
standards

100%

- ▶ In 2024, the national regulatory department conducted 111 inspections on Tsingtao Brewery Factory, and 3 inspections on the factory bar, detecting no violations of laws and regulations, imposing no administrative penalties, and revealing 100% compliance. The government supervised and sampled 223 batches of products, and the pass rate of food safety and quality safety reached 100%.
- ▶ For the 2,556 batches of products subject to internal monitoring in 2024, the item compliance rate of food safety indicators and national quality standards was 100%.
- ▶ There was no recall of products sold or shipped due to safety and health issues and no product withdrawal due to food safety or quality issues during the year. We had "0" food safety accident and "0" national standard item non-compliance.



Product Full Process Management

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



Selecting high-quality raw materials

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



Tremendous R&D Strength



► Technology R&D Center Building of Tsingtao Brewery

Led by technological innovation, the Company has vigorously developed the advantages of high-quality development. Tsingtao Brewery has the only State Key Laboratory of Beer Bio-fermentation Engineering in the brewing industry and first National Enterprise Technology Center in the industry.

The Company has six core technologies and more than 100 peripheral technologies with independent intellectual property rights. Through the original flavor mapping technology, the “decoding” of consumer demand has realized a profound transformation from “sketch portrait” to “precise portrait”.



National Patents Awarded

42

National Invention Patents Awarded

13

National Patents applied for

76

National Invention Patents applied for

32

The new research base of Tsingtao Brewery State Key Laboratory has been inaugurated. With industrial yeast microbial breeding, flavor control, sensory science, nutrition and health, synthetic biotechnology, and microbial strain preservation centers, Tsingtao Brewery will become a new height of beer brewing technology research with international influence, a new height of high-level international beer brewing talent training, and a new height of multidisciplinary beer brewing international academic exchanges, and a new height of global beer culture dissemination and consumer experience.

In 2024, Tsingtao Brewery were authorized 42 national patents and 13 national invention patents, and applied for 76 national patents, 32 national invention patents, and 4 international PCT patents. "Key Technologies and Applications for Efficient Breeding and Optimization of Strains in Food bio-manufacturing Industry" won the Second Prize of National Science and Technology Progress Award in 2023. "Key Technologies for Targeted Breeding of Industrial Fermentation Strains and Application of Low-carbon Bio-manufacturing in Beer" received the First Prize of Science and Technology Progress Award in Shandong Province in 2023. "Research and Application of Key Technologies for Low-calorie No-alcohol Beer" won the First Prize of Science and Technology Progress Award by Shandong Province Light Industry Federation in 2024.

Tsingtao Brewery officially released 11 standards (including 1 international standard, 1 industry standard, 9 group standards) and won honorary titles such as the Leading Talent in Technological Innovation of National "10,000 Plan", National May Day Labor Medal, Shandong Province Taishan Industry Leading Talent and Qingdao Innovation industry Leading Talent.



The Industry's Only Four-time Winner of National Science and Technology Progress Award



On June 24, 2024, the 2023 National Science and Technology Award was announced in Beijing, and a number of scientists with outstanding contributions and landmark achievements won the National Science and Technology Award. As the main completion Unit of the Project of "Key Technologies and Applications for Efficient Breeding and Optimization of Strains in Food bio-manufacturing Industry", Tsingtao Brewery was presented the Second Prize of National Science and Technology Award.

The Company insists on leading industrial innovation with technological innovation, and as the only brewing enterprise on the list, Tsingtao Brewery has become the industry's only four-time winner of the Second Prize of National Science and Technology Progress Award.

Tsingtao Brewery has taken the lead in the establishment of a beer research institute in China's beer industry, carried out technical research since 1994. Tsingtao Brewery has independently completed the "Development and Application of Beer Flavor Substance Map Technology" and "Development and Application of High-efficiency and Low-consumption Beer Brewing Technology", participated in the "Key Technology and Application of Recycling and Ultra-low Emission of Typical Wastewater of Paper Making and Fermentation" and other projects have won the Second Prize of National Science and Technology Progress Award.



Led the Tackling of the Key Technology of Fermentation Strains and won the First Prize of Science and Technology Progress Award of Shandong Province



On July 26, 2024, the Shandong Science and Technology Conference was held in Jinan to commend the winners of the 2023 National Science and Technology Award of Shandong Province and the winners of the 2023 Provincial Science and Technology Award. "Key Technologies for Targeted Breeding of Industrial Fermentation Strains and Application of Low-carbon Bio-manufacturing in Beer" received the First Prize of Science and Technology Progress Award in Shandong Province.



More than 1,800 Quality Inspection Points

The Company has established a unified inspection standard system, and each bottle of beer has to go through more than 1,800 quality inspection points; the ERP quality data system has been adopted to achieve statistical analysis, promote quality improvement, and conduct comprehensive quality monitoring.

Tsingtao Brewery has also established internal control standards for raw and auxiliary materials, semi-finished products and finished products, and formulated and implemented 377 inspection SOPs (standardized operating procedures).

The unification principle in test methods, test instruments, personnel capabilities, management requirements, quality data system, quality control evaluation has been established in the quality control system. Under the premise of ensuring the conformity of quality control work, we have optimized efficient inspection methods, established Tsingtao Brewery quality data monitoring platform, run unified inspection and control samples, and further established a simple and efficient quality control system to improve the efficiency of quality control.

Supply side – Key materials are subject to quality control in advance, and non-conforming materials not delivered and used to ensure material quality and safety;
Factory side – The whole process system control is imposed, and non-conforming products are not shipped out of the factory to ensure product quality and safety;
Market side – The industry's first implementor of third-party independent sampling testing system on market products to fully monitor market products and build a defense line of product quality and safety.



Consistent Tasting Control

The Company is the first enterprise in the industry to establish a comprehensive three-tier product evaluation system, with whole process evaluation from raw materials, production, logistics and terminal, and implements its high-quality development policy. A more accurate 10-point evaluation standard has been developed to continuously improve product taste quality. The Company has also established a centralized evaluation mechanism for the same category to identify subtle differences, and promote the consistency of the taste of the same category, and support the construction of "One Brewery". Special evaluation has been implemented on the Company's strategic layout products to drive the continuous improvement of product quality, and actively promote the basic quality to be more refined, typical flavors to be more prominent, and characteristic flavors to be more distinctive.

Benchmarking against the national and international advanced level, the evaluation skills training and evaluation system has been optimized to achieve efficient evaluation management, and accurately discover evaluation talents. In 2024, we carried out 10 special training sessions on improvement of evaluation skills, and evaluated and hired 124 senior beer tasters, 840 intermediate beer tasters and 2,971 junior beer tasters. Thus far, the Company has trained 51 National Beer Tasters (including 8 Honorary Lifetime Beer Tasters), accounting for 45% of the national total, ranking first in the industry; the Company won the champion for two consecutive sessions of the National Tasting Vocational Skill Competition, and its team delivered excellent performance. The number of our referees at Qinghuo Award New Beer Category, CBC China International Beer Challenge and other international beer competitions has been industry-leading. We have trained 5 National Technical Experts, 4 Provincial Technical Experts, 1 Qilu Artisan, 5 Chief Technicians of Qilu, 14 Chief Technicians of Provincial Industry, 5 Craftsmen of Provincial Industry, 59 Technical Experts of Provincial Industry...Our beer tasting team won the honorary title of "National Women's Civilization Post".



Average fuel consumption of
intelligent driving in 2024

A decrease of **2L**/100 KM



Intelligent Logistics Management

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

In 2024, the Company promoted the intelligent driving of trunk lines. The number of driving routes actually increased by 117% compared with the same period last year, and the average fuel consumption was reduced by 2L/100 kilometers, with a total of 25,000 kilometers. In 2025, the Company will implement intelligent insulated containers, and implement urban intelligent distribution (unmanned) in pilot cities to optimize distribution routes, reduce fuel consumption, and improve delivery efficiency.



Service System and Data Protection

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



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

In 2024, the Customer Service Center received a total of 47,986 inquiries and complaints by phone from the market, marking a year-on-year increase of 15.79%. There were 2,273 complaints about product quality with a resolution rate of 99.3%, and 397 complaints about service quality with a resolution rate of 98.4%.

The Company continues to improve the market information protection mechanism, attaches importance to information management and consumer information protection, and all market information data storage, data transmission and use are legal and compliant. Relevant staff members abide by national confidentiality laws and regulations and the Tsingtao Brewery Confidentiality System, and sign the Tsingtao Brewery Letter of Commitment for Compliance to avoid leakage and loss of market information, fulfill their confidentiality obligations, and safeguard information security. There were no breaches of consumer data or privacy in 2024.

The Company also strengthens communication with dealers, adds market management and service performance surveys on the basis of service quality and product quality, requests the dealers to make an objective evaluation of the overall service level, and maintains the balance of services through monitoring of customer service status, improves problem-solving capabilities, and continues to promote innovation in customer service work. In 2024, the overall satisfaction rate was 95%.



Responsible Marketing and Promotion

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

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

Creating Happiness for Life

Charm-perceived Quality

Craftsmanship over one hundred years casts the soul of quality. In the era of consumer sovereignty, Tsingtao Brewery continues to pay attention to the “basic needs” and “changing needs” of consumers, and constantly explores the “potential needs”. In practice, the management model of “Charm-perceived Quality Based on Digital End-to-End Decoding” has come into being.



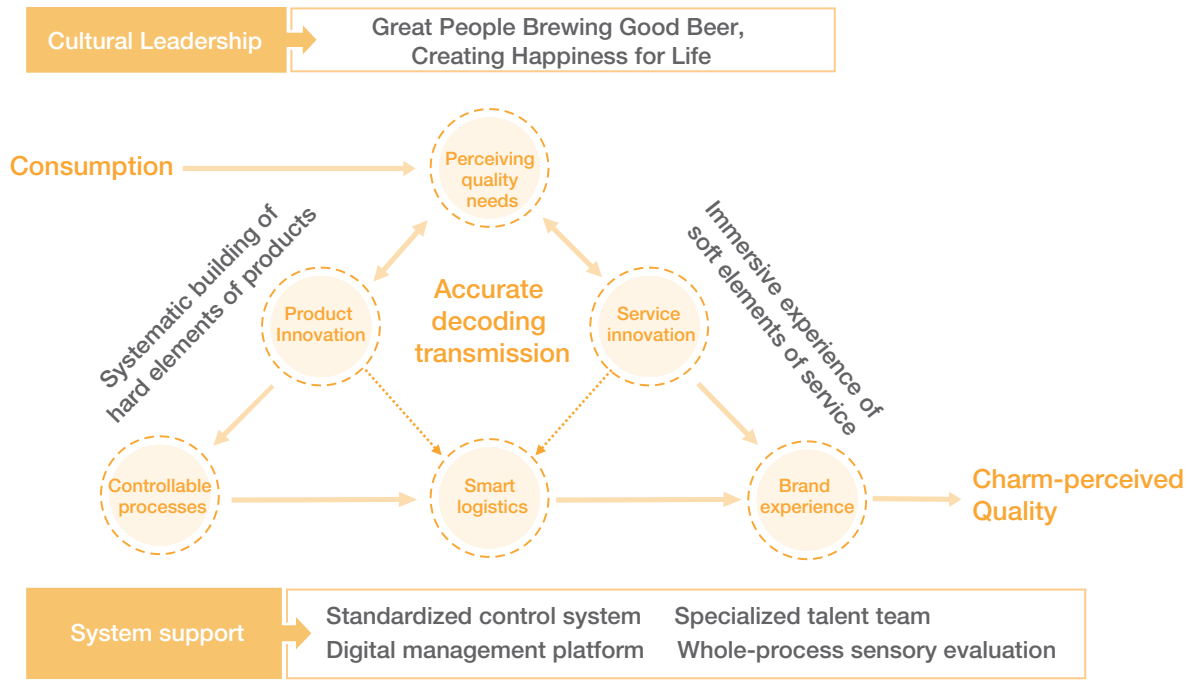
The 46th Quality Improvement Day Conference Held

On April 10, Tsingtao Brewery held the 46th Quality Improvement Day Conference themed with “Lay a Solid Foundation with Century-old Ingenuity and Win the Future with Charm Quality”. Through the ceremony activities such as quality oath and tribute to the artisan star, we continued to deepen the quality ingenuity of all employees and the whole chain to better meet the needs of a better life. The Quality Improvement Day Conference which has held for 46 years is a vivid footnote to the century-old ingenuity of Tsingtao Brewery to build a solid foundation for development. Laying a solid foundation with century-old ingenuity and winning the future with charm quality, Tsingtao Brewery accelerates the cultivation and development of new quality productivity, constantly creates high-quality charm experience for consumers and creates happiness for life.





A management model “based on the charm of end-to-end decoding through digitization”



From the two pathways of systematic building of hard elements of products, and immersive experience of soft elements of service, the Company has continuously enriched and deepened the connotation of quality, established six end-to-end accurate decoding transmissions from “perceived quality demand, product innovation, controlled process, service innovation, smart logistics, brand experience”, providing consumers with high-quality products and services.

The Company has established a “whole supply chain” charm quality index system, setting up indicators from scientific research and development, raw material procurement, production process, evaluation and control, logistics and customer service; the development of new products and technological innovation has been accelerated to create charm quality to meet the diversified, personalized and customized needs of consumers. We have further established and improved the Company’s charm-perceived quality evaluation standards, implemented the comparison

between professional judges and consumers, developed professional evaluation and measurement methods, and carried out analysis from various dimensions such as appearance, smell, taste, aftertaste and preference, so as to get closer to the actual feelings of consumers. On-site tasting sessions, online classes, live-streaming video and other means have been adopted to enable consumers to experience the scenario, and support charm quality improvement of Tsingtao Brewery. We have further completed the product quality protection tasks for major events, special needs products, etc. to present the charm-perceived quality of Tsingtao Brewery, and unblock the last mile of consumer experience. Continuous efforts have been made to create a brand experience with charm quality, involve all employees in quality management to shape the charm quality, and expand the charm quality of a single product to the charm quality of the brand, the service, the beer culture and the consumer experience.

Product Innovation

In 2024, the Company continued to expand its beer categories, and 12 new products were launched, including Bainianhongyun (Year of the Dragon), Whole Wheat Augerta A3, and Whole Wheat Augerta A6 in the ultra-high-end series, Light Dry Beer and 0.0% Alcohol White Beer in Health Series, Nicaxi White Beer, Osmanthus White Beer, Pepper Saison, Cherry Wheat, Strawberry Grapefruit and Lemon Beer in the craft brewing series. Now the Company has developed multiple product matrixes – Yishichuanqi, Bainianzhilv, Classic, Draft, White Beer, Fine Original, Crystal Draft, Amber Lager, Augerta, Hongyundangtou, Pilsner and IPA, maintaining its competitive advantage in the domestic beer market.



► Tsingtao Brewery Bainianhongyun

Tsingtao Brewery Bainianhongyun is the high-end zodiac limited product of Tsingtao Brewery Bainian Series. One hundred varieties of malt are selected from the global malt flavor library, and high-quality European hops are used for classic low temperature fermentation, forming a unique mellow and a rich taste.



► Tsingtao Brewery Hongyundangtou

Hongyundangtou is a high-end product of Tsingtao Brewery, brewed with selected global quality brewing materials and the century-old yeast of Tsingtao Brewery. The beer body is golden and clear. The foam is delicate and rich. The coordinated wheat aroma and beer wine fragrance produce a mellow and smooth taste.

Since 2014, Tsingtao Brewery has specially customized Hongyun series Chinese zodiac aluminum bottle products for consumers every year. The festive Chinese red and exclusive zodiac pattern, coupled with the golden beer with a strong wheat flavor, make it the first beer to start the New Year.



A6 258ml A3 480ml

► Tsingtao Brewery Augerta A Series

The Augerta A Series consists of the Augerta A6 and the Augerta A3. Several hundred varieties of malt are selected from the global malt flavor library to lock the golden ratio combination of basic malt and characteristic malt, giving a multi-layer mellow taste and an amber alcohol gold luster. The hops flavor map is analyzed, and the “soft gold” in hops is selected to refine the hops formula. The vibrant and thick vitality of the century-old yeast of Tsingtao Brewery give the new product a unique aroma and taste. Augerta A Series beer adopts the classic two-tank method and adheres to the low-temperature fermentation process. With a longer fermentation cycle and a more balanced fermentation environment, the Augerta A Series has a full body that is well integrated and harmonious, and a pure rich taste.



► Tsingtao Brewery Light Dry Beer

No burden with low calorie: the heat of Light Dry Beer is only 29kcal per 100ml, and the heat of apple is 52kcal per 100g. 0 sugar and no addition: no additional sugar is added, and the sugar content for Light Dry Beer is only 0.1g per 100ml (0 sugar requirement: sugar content < 0.5g/100ml). More refreshing fruity aroma: A triple-hops compound formula releases unique refreshing fruity aroma.



► 0.0% Alcohol White Beer

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



► Tsingtao Brewery Osmanthus Poetry

Tsingtao Brewery Osmanthus Poetry is an osmanthus white beer. With the traditional top fermentation method, the natural osmanthus flavor is integrated into the classic white beer. The coordination and integration of elegant osmanthus fragrance and original fruity aroma exudes the fragrance and sweetness of osmanthus, making the beer refreshing and easy to drink. The warm yellow can body features osmanthus all over the sky and Ci poet Li Qingzhao with fine brushwork techniques. The combination of traditional elements with modern aesthetics conveys the unique charm and ingenuity of traditional Chinese culture.

In 2024, the Company's products stood out in the domestic and international grand prix competitions, winning 28 awards. Thus far, the Company's various products have won a total of 105 awards.



Yishichuanqi

International Wine and Cider Grand Prix (Gold Award)



Yishichuanqi

Whole-wheat White Bear

Strong Ale

Wheat Bock

Retro National Trend

Silver Award at the World Beer Championship



Whole Wheat Augerta A6

0.0% Alcohol White Beer

Crystal Draft

Qingzhuo Award



Yishichuanqi

Whole Wheat Augerta A3

0.0% Alcohol White Beer

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



Immersive Consumption Experience

Fashion Consumption Scenario

Tsingtao Brewery has built a network of 200 consumption venues across the country, including TSINGTAO1903 Bar, Times Coast Fine Beer Garden, 1 Zhongshan Road, Liyuan 1903 MIX, 1903 MIX Qingdao Polar Ocean Park Theme Store and Tsingtao Brewery Museum. Tsingtao Brewery integrates its products with multiple life scenes, and provides consumers with a full-scene immersive brand experience by constructing emerging fashion beer consumption spaces to meet their scenario-based needs.



Beer Festival

In 2024, the Company held 29 national large-scale beer festivals, 66 pop-up beer festivals, and 95 beer festivals in all regions of the country. With a total activity area of about 530,000 square meters, these activities lasted for 1,042 days, and attracted 8 million participants. Tsingtao Brewery used beer as the medium and offered a variety of activities through the entire festival, driving visitors to participate in the beer festival and immerse themselves in the vitality of the beer bubble.





Sports and Music Marketing

The exciting sports and music marketing activities have fully enriched the international, youthful and fashionable connotation of the Tsingtao Brewery brand. Through different fan activities, the brand and fan loyalty is enhanced, and a unique fan marketing ecosystem has been established. Focusing on the marketing theme of “Gather Together for Love” in 2024, we took advantage of football competitions such as Chinese Super League, Men’s World Qualifier and European Cup, and centered on the concept of “fan identity +” to build the PGC+UGC co-creation model based on the “Fan Get-together” applet + fan community, creating a life service platform for fans and bringing more surprises and happiness for fans. With the help of the Paris Olympic Games, we launched the “Hexagon Warrior” IP activities to expand brand influence.



Through the connection of beer and music art, we have created a comprehensive music marketing matrix. Working with S-class music variety shows online for top traffic communication in the peak season and launching diversified music activities offline, we have jointly strengthened the pure music attributes and convey the message of freshness, youth and joy to consumers. In 2024, a total of 46 various music activities were held in conjunction with Tsingtao Draft Products, including the domestically renowned Strawberry Music Festival, The Youth Music Festival (rock & roll), locally rooted Xidu Music Festival. These activities established an emotional connection with consumers, provided consumers with a unique listening and sensory experience, connected the brand with a pleasant and relaxing lifestyle, and enhanced the brand favorability in consumers.



Tsingtao Brewery attended the 21st China International Alcoholic Drinks Expo, the 4th China International Supply Chain Promotion Expo and the 2nd China International Supply Chain Promotion Expo, conveying to the audience its brand positioning of enjoying the joyful moment and creating a better future, and winning the unanimous favor and recognition of the majority of consumers and delegates.



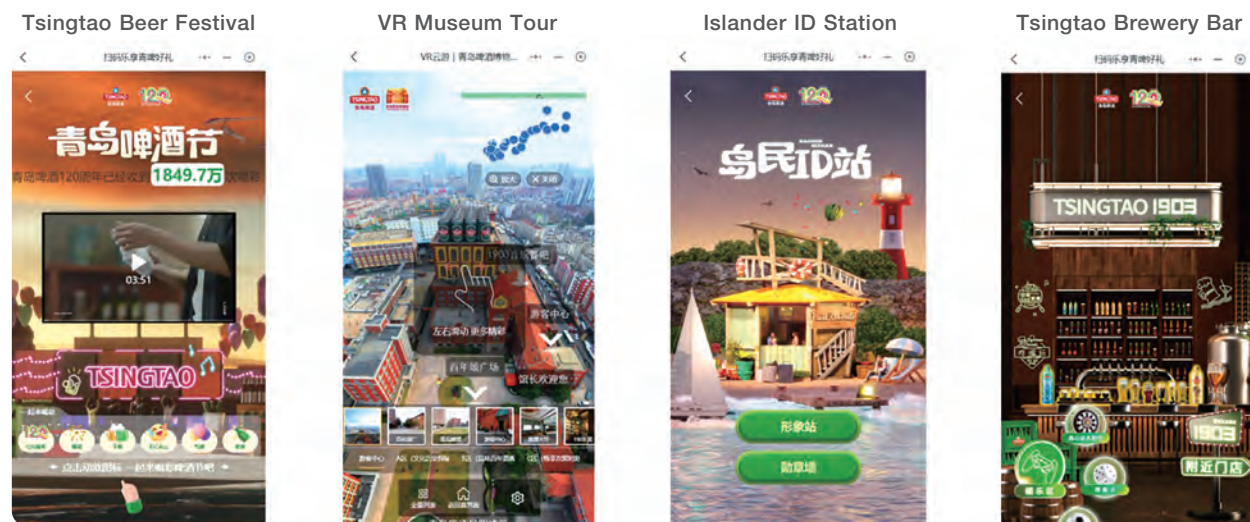
To support the launch of the Augerta A Series products, we cooperated with 7 star-rated hotels to jointly create the Augerta A Series Beer Garden, providing consumers with an immersive tasting and leisure space. With the theme of “Must be Fresh”, we carried out 9 high-end fresh theme roadshows, focusing on core cities and core business areas for three-dimensional promotion; Laoshan Beer “Refreshing Start” Roadshow Project centered on “Cool Summer Adventure”, strengthening the immersion of consumer experience, and enhancing brand exposure and user loyalty.





Tsingtao Brewery Gathering Space

With the continuous development of digitization and intelligence, Tsingtao Brewery has connected online and offline consumption scenarios through the digitization of channels and online consumers, and successfully built a close and accurate communication bridge with terminals and consumers. Through “one barcode for one object” in recent years, tens of millions of consumers have been reached. In order to achieve the upgrade of “consumer online digital operation”, Tsingtao Brewery has adopted a strategy of key breakthroughs and innovation, relied on “one barcode for one object” in combination with advanced technologies such as big data and VR interaction to create an industry-leading consumer immersive interactive platform – “Tsingtao Brewery Gathering Space” applet.



After purchasing Tsingtao Brewery products, consumers can scan the QR code on the bottle cap to enter the applet. The platform provides a variety of content, covering social interaction, entertainment, VR tour, prizes and many types of interaction. Consumers can create their own personal virtual image, experience the fun of the Beer Festival on the cloud. Meanwhile, Tsingtao Brewery also gives full play to its diversified ecological advantages, providing fashion and cultural travel features, and consumers can experience the VR Tsingtao Brewery Museum, and watch the 120 years of history of Tsingtao Brewery.



The mainstream channel mode of FMCG is in-depth distribution. Relying on digital tools and technology, Tsingtao Brewery has changed the long chain, so that the brand directly faces consumers, reducing channel levels, and achieving marketing cost reduction and efficiency increase, digital marketing model exploration and business growth.

The emergence of “Tsingtao Brewery Gathering Space” has innovated a new model of integration of virtual and real interactive experience in the industry, and successfully created a beer culture communication platform, brand immersive experience platform, consumer real-time interaction platform, and digital marketing combat platform, providing new momentum for the Company’s digital reform.



For a Better World

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



Addressing Climate Change	33
Water Resources Management	42
Energy Management and Efficient Use	46
Packaging and Waste	48
Green Development	51



Investment in green development
fixed assets in 2024

RMB **120.54** Million

YOY growth

20%

In 2024, Tsingtao Brewery scored a series of landmark achievements in green development, as can be seen from its inclusion into the "2024 List of Key Water Enterprises and Park Water Efficiency Leaders" by the Ministry of Industry and Information Technology, listing of "Key Technology of Pollution Reduction and Carbon Reduction and Resource Utilization of High Concentration Beer Wastewater and Municipal Sewage through Collaborative Treatment" in the Catalog of Green Technology Promotion (2024) by the National Development and Reform Commission, inclusion into the "2024 Typical Case List of Industrial Wastewater Recycling" by the Ministry of Industry and Information Technology, inclusion into the China National Light Industry Council "2024 Typical Case List of Light Industry Green Low-carbon Transformation", and title of First Prize of the Science and Technology Progress Award of the Shandong Light Industry Council. There were 3 new factories rated as 2024 National Green Factory. Now Tsingtao Brewery has 23 National Green Factories, ranking first in the beer industry,

The energy use structure has been continuously optimized. By 2024, 53 factories had used renewable energy, accounting for 80% of electricity consumption, and 32 factories (including 16 factories in Shandong Province) had used 100% renewable energy. And 12 factories had installed 16 MW of distributed PV. In 2024, the Company invested RMB 120.54 million in green development fixed assets, marking a -year-on-year increase of 20%.



- "Key Technology of Pollution Reduction and Carbon Reduction and Resource Utilization of High Concentration Beer Wastewater and Municipal Sewage through Collaborative Treatment" received the First Prize of the Science and Technology Progress Award of the Shandong Light Industry Council.





Addressing Climate Change

Climate change governance

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



► Tsingtao Brewery Climate Change Governance Structure

Climate Action

Oversight of the Board of Directors

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

Responsibilities of the Management

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

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

Strategy and Risk Management

Based on our own business characteristics and operational characteristics, we proactively identify and explore the risks and opportunities brought by climate change, actively improve the Company's ability to adapt to climate change, and take concrete actions to minimize the negative impact of climate change on business operations. We use scenario analysis to assess potential climate-related physical and transition risks and opportunities across our entire business, and incorporate the results into our strategy and planning.

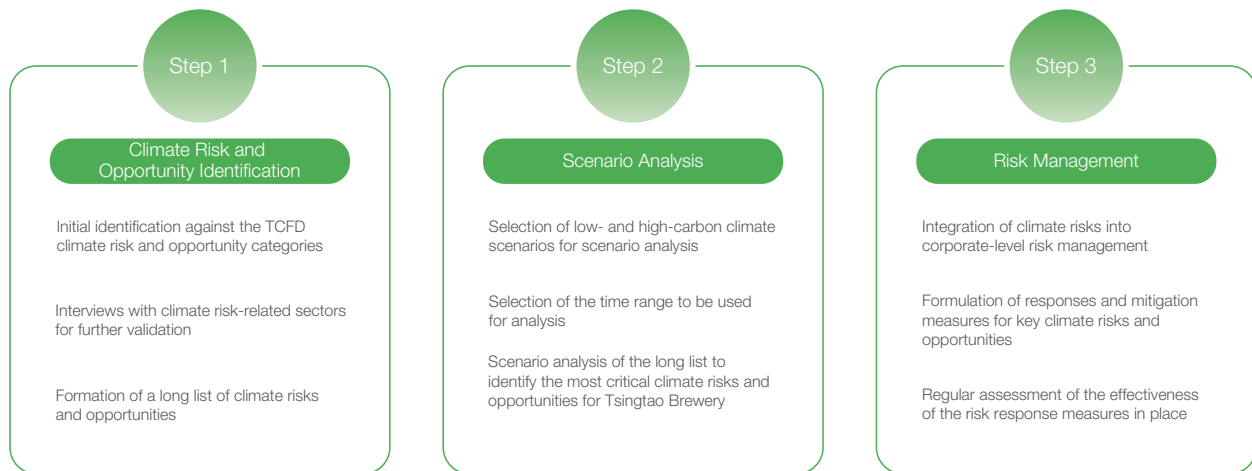
Climate Risks and Opportunities

To better understand the potential impact of climate change on Tsingtao Brewery's business, we have selected a low carbon scenario consistent with the Paris Agreement and another high carbon scenario based on TCFD requirements for scenario analysis, including physical risk assessment as well as transition risk and opportunity assessment. The impacts of climate risks and opportunities in the short and medium term are uncertain, which poses challenges to the formulation of climate strategies. Based on scenario analysis, the Company further analyzes important climate risks and opportunities and their impacts for factories in different geographic locations. We have identified a range of physical and transitional climate risks and opportunities that may arise in the future, assessed the potential impacts on companies of nine major acute and chronic weather events, including extreme heat, water stress and droughts and floods, and taken into account the policy, legal, market, technological and reputational risks and opportunities associated with the transition to a low-carbon economy.

Based on scenario analysis and screening results, water pressure and drought in production enterprises of Tsingtao Brewery are the climate events with the highest risk level under all future time dimensions and climate scenarios, and they are the main physical risks that Tsingtao Brewery faces.

Identifying and Assessing Climate Risks and Opportunities




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



► Identification and Assessment Process for Climate Risks and Opportunities



Tsingtao Brewery Long List of Climate Risks and Opportunities

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

- Physical risk assessment: Selected two scenarios of Shared Socioeconomic Pathways SSP 1-2.6 and SSP5-8.5 from the (AR6) of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations;
- Transition risk and opportunity assessment: Selected the International Energy Agency's (IEA) Stated Policy Scenario (STEPS) and the more ambitious Net-zero Emissions (NZE) scenario.

Climate Risk Response Measures

Based on scenario analysis results, we respond to potentially critical medium- and high-climate risks and opportunities to mitigate the impact on our operations. For example, adopting water-saving equipment and rainwater recycling systems to improve water resource utilization efficiency; increasing water recycling ratio and back-up water sources within factories; continuously reducing factory water consumption and lowering usage of water resources.

In order to establish a comprehensive risk management system, identify and focus on company-level risks, and monitor and evaluate the effectiveness of the operation of its risk management system, the Company has sorted out the corporate-level risk classification framework, carried out risk identification and assessment on the corporate-level risks identified, and renewed the risk list item by item, and classified climate risk as a company-level risk to be managed.

Key Climate Risk Response Measures

Potential key risks/opportunities	Countermeasures
 <p>Water stress and drought</p>	<p>Management improvement:</p> <ul style="list-style-type: none"> Upgrading facility management, and adopting water-saving equipment and rainwater recycling systems to reduce water consumption and water usage and improve water resource utilization efficiency. <p>Engineering measures:</p> <ul style="list-style-type: none"> Increasing water recycling ratio and back-up water sources within factories and, in the event of water shortage, considering alternative water sources.
 <p>Extreme heat and extreme cold</p>	<p>Management improvement:</p> <ul style="list-style-type: none"> Considering the impact of climate resilience (e.g., flooding, topography, and other geographic factors) in the design and construction of factories and in the selection of future sites for new factories, and improving the ability of facilities and equipment to withstand extreme weather and minimizing the impact of extreme heat and other weather conditions. Developing and implementing emergency response plans for extreme weather (extreme heat and extreme cold), including evacuation plans, alternative storage locations for raw materials and products for personal and property safety protection. Developing a business continuity plan. <p>Engineering measures:</p> <ul style="list-style-type: none"> Enhancing the heat dissipation capacity of buildings and the efficiency of equipment, constructing and regularly maintaining back-up power supply, and ensuring the reliability of back-up power supply. Preparing emergency supplies for extreme weather, such as backup power supply and sandbags for flood control.
 <p>Carbon pricing mechanism</p>	<p>Management improvement:</p> <ul style="list-style-type: none"> Continuously increasing share of renewable energy. Working with supply chain partners to drive greenhouse gas emission reductions from partners. <p>Engineering measures:</p> <ul style="list-style-type: none"> Reducing greenhouse gas emissions in Scopes 1 and 2 from own operations through process upgrading and equipment modification and upgrading.



Indicators and targets

Tsingtao Brewery has formulated a green and low-carbon development strategy and clearly defined the reduction target in 2025 compared with 2019: a decrease of 56% in Scope 1+2 carbon emissions per unit product of beer production; a decrease of 35.5% in comprehensive energy consumption per unit product of beer production; a decrease of 23% in water consumption per unit product of beer production; a decrease of 31% in chemical oxygen demand discharge per unit product of beer production; a decrease of 39% in ammonia nitrogen discharge per unit product of beer production; a decrease of 73% in nitrogen oxide emission per unit product of beer production; a decrease of 21% in hazardous waste emissions per unit product of beer production; a decrease of 34% in non-hazardous waste emissions per unit product of beer production; the ratio of electricity from renewable sources increased to 82%.

Carbon reduction management

Full value chain carbon inventory

As early as 2010, Tsingtao Brewery took the lead in China's brewing industry in conducting a greenhouse gas inventory and product carbon footprinting, and became "the first pilot unit of the low-carbon system (ISO14064) in China's brewing industry". Tsingtao Brewery has been carrying out a company-wide corporate greenhouse gas inventory since the beginning of 2019, and has set 2019 as the base year for the inventory. The Company conducts annual greenhouse gas inventory of our factories, and entrusts qualified third parties to carry out verification every year, so as to identify carbon emission data in all aspects and continue to look for carbon reduction points in order to minimize the impacts of climate change on its own operations.

Furthermore, the Company regularly selects representative products of the factories every year for product carbon footprint inventory and verification, and issues product carbon footprint verification statements. Cumulatively, we have completed product carbon footprint verification in more than 31 factories for 31 products.



Cumulatively, we have completed
product carbon footprint

verification in more than **31**

factories for **31** products



Total greenhouse gas emissions and intensity from beer brewing

Greenhouse gas emissions data certified by a third-party company

Greenhouse gas		Unit	2022	2023	2024	Year-on-year variation in 2024
Total greenhouse gas emissions (Scope 1)	Quantification	Ton of carbon dioxide equivalent (ton)	188,948	211,748	190,388	-10.1%
Total greenhouse gas emissions (Scope 2)	Quantification	Ton of carbon dioxide equivalent (ton)	555,148	241,848*	200,093*	-17.3%
Total greenhouse gas emissions (Scope 3)	Quantification	Ton of carbon dioxide equivalent (ton)	5,289,280	4,973,467	4,646,452	-6.6%
Total greenhouse gas emissions (Scope 1 +2 +3)	Quantification	Ton of carbon dioxide equivalent (ton)	6,033,376	5,427,063	5,036,933	-7.2%
Greenhouse gas emission density (Scope 1 +2 +3)	Quantification	Kilograms of CO ₂ equivalent per kiloliter of production	771.7	732.6	696.6	-4.9%

* Calculated on the basis of the market approach



Building Carbon Neutral Factories

Tsingtao Brewery actively responds to the national “dual carbon” strategy, and has planned carbon neutrality pathway and carbon neutral factory building technology. On July 1, 2024, Tsingtao Brewery (Jinan) Co., Ltd. completed the Carbon Neutral Certification and became the first carbon neutral factory of Tsingtao Brewery. On February 17, 2025, Tsingtao Brewery (Suizhou) Co., Ltd. completed the Carbon Neutral Certification. Thus far, Tsingtao Brewery has built two carbon neutral factories.





Green Logistics and Green Sales

By optimizing the material transportation network, shortening the transportation distance, optimizing the operation mode, reducing transit shipments, increasing the proportion of railway and water transportation, encouraging cooperative transportation operators to use new energy vehicles for transportation, we have systematically reduced transportation carbon emissions. In 2024, we continued to push the carriers to increase the use of new energy vehicles, and achieved a total of 5,555 deliveries by new energy vehicles throughout the year. In 2025, the logistics target is to have carriers nationwide own a total of 100 new energy vehicles.

In terms of sales, the Company has further reduced its carbon footprint by increasing the ratio of online sales and reducing the energy consumption used by physical stores. In 2024, the ratio of the Company's online sales increased by 83% from that in 2020.



Carbon Reduction across the Value Chain

► Promoting green and low-carbon reform of hops planting

We have promoted the trial use of biomass boilers led by Tsingtao Flower Planting Base in replacement of traditional coal-fired boilers, reducing carbon emissions, realizing the resource utilization of agricultural waste, and further promoting the development of circular economy.

► Pushing suppliers to use clean, renewable energy configurations

We have guided upstream suppliers to deploy distributed photovoltaic systems, use renewable raw materials and biomass energy, and build green factories. A total of 30 can suppliers have been equipped with photovoltaic systems, 8 malt suppliers equipped with photovoltaic systems, and 6 malt suppliers using biomass boilers.



► Distributed PV Power Generation of Henan Baosteel



Number of can suppliers equipped
with photovoltaic systems

30

Number of malt suppliers equipped
with photovoltaic systems

8

Number of malt suppliers using
biomass boilers

6

Exhaust Pollutant Emission Reduction Management

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

Measures



- ▶ The Company has set emission reduction goals, continuously strengthened source control efforts, installed and regularly maintained online flue gas monitoring equipment in compliance with regulations, and regularly entrusted a professionally qualified third-party to monitor exhaust emissions.
- ▶ The Company has been equipped with exhaust pollution prevention facilities, ensuring the stable emissions of exhaust pollutants through the application of advanced production equipment and treatment technology.
- ▶ The Company has only used purchased steam or gas boilers. In 2024, another two factories completed low nitrogen modification of 7 gas boilers. The Company has also continuously optimized the gas boiler operation control parameters, so as to achieve low nitrogen and efficient operation, and effectively reduce the emissions of exhaust pollutants.



▶ Luzhou Company Completed Low Nitrogen Modification of All 4 Gas Boilers

Indicator Data

The Types of Emissions and Emissions Data

Type of Pollutant			Unit	2022	2023	2024	Year-on-year variation in 2024
Exhaust Emission	Nitrogen oxides	Quantification	Ton	70	56	51	-9%
	Soot	Quantification	Ton	9.31	8.35	7.94	-5%



Third-Party Verification

 Bureau Veritas Certification	<p>Verification Conclusion:</p> <p>Based on the verification work implementation process and verification findings, the greenhouse gas emissions data provided by Tsingtao Brewery Co., Ltd. in the Inventory Report is consistent with ISO 14064-1:2018 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, System for Greenhouse Gas Accounting – Corporate Accounting and Reporting Standard (EARS) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.</p> <p>Statement of Independence, Impartiality and Competence:</p> <p>Bureau Veritas has been providing independent verification services in the areas of quality, environment, occupational health and safety and social responsibility for more than 190 years. The Bureau Veritas verification team has no other business relationship with Tsingtao Brewery Co., Ltd. and its management, and the verification activities of the verification team are independent and impartial without any conflict of interest. Bureau Veritas implements the Code of Business Ethics throughout its operations to ensure that employees maintain the highest ethical standards in their day-to-day business activities.</p> <table border="0"><tr><td>Verification Team Leader: Tian Pin</td><td>Verification Date: February 25, 2025</td></tr><tr><td>No.: EMICN100524A</td><td>Date of Issue: February 26, 2025</td></tr><tr><td>Version No.: No.1</td><td></td></tr></table> <div style="text-align: right;"> _____ Authorized Representative of Bureau Veritas Certification (Beijing) Co., Ltd.</div>	Verification Team Leader: Tian Pin	Verification Date: February 25, 2025	No.: EMICN100524A	Date of Issue: February 26, 2025	Version No.: No.1	
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Water Resources Management

Tsingtao Brewery has always adhered to the water conservation concept of source reduction, process control, in-depth treatment and gradient utilization, strictly followed *The Water Law of the People's Republic of China* and other relevant laws and regulations, actively responded to the Action Plan for the Prevention and Control of Water Pollution issued by the State Council. The Company has further revised and improved internal systems and reviewed the factory water recycling procedure, so as to continuously promote the all-round control of water resources. The Company has strict requirements on both water quality and water quantity; Water conservation goals and product water consumption indicators are issued to each manufacturing system every year. Water conservation projects cover 100% of the factories. Meanwhile, the Company has strengthened water-saving transformation efforts, strictly managed production water use of all links from the source, vigorously improved water efficiency, and promoted the recycling of water resources.

Water Use Management

Tsingtao Brewery has continuously optimized the excellent goal management system, improved the water use process, implemented 23 water use KPI indicators, developed a “water-saving/water-conserving/water-loving” culture of all employees, and carried out online monitoring and improvement of the whole water consumption process. Guided by improving the recycling rate of water, Tsingtao Brewery has continuously reduced its water consumption through graded use of recycled water and promotion of no water on the ground throughout the Company, and has been included into the “2024 List of Key Water Enterprises and Park Water Efficiency Leaders” by the Ministry of Industry and Information Technology.

Measures

Before Factory Project Implementation

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





During Beer Production

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

Indicator Data

Use of Water Resources

Indicator Name	Unit	2022	2023	2024	Year-on-year variation in 2024
Water Consumption	1,000m ³	26,339	23,053	22,158	-3.9%
Water consumption per unit product of beer production	m ³ /Kilolitre output	3.24	2.99	2.92	-2.3%



Action Case

Suizhou Company has implemented the ultrafiltration water treatment project to recycle the flushing water of the Water Treatment Center. After the implementation of the project, 18,000 cubic meters of water can be saved every year.



▶ Ultrafiltration Water Treatment Equipment of Suizhou Company

Drainage Management

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

Measures



- ▶ Through the implementation of ultrafiltration water treatment project and the application of high efficiency reverse osmosis, the water production rate and reuse has been improved; by optimizing the nozzle diameter and spray pressure of bottle washing machines, the use of fresh water has been reduced and the discharge of waste water has been lowered.
- ▶ The wastewater produced in the process of beer production is mainly treated with “anaerobic + aerobic” biological method with complete wastewater pollution prevention and control facilities, and the total wastewater outlet has been equipped with on-line monitoring facilities. During the reporting period, the pollution prevention and control facilities were running normally, and qualified third-party units were commissioned to carry out monitoring on a regular basis, so that the wastewater was discharged stably in compliance with the standards. The Company will improve the water production rate of water treatment equipment through operation control optimization, reduce wastewater discharge, ensure the normal, efficient and operation of environmental protection facilities, and achieve stable and standard discharge of wastewater.

Wastewater Discharge Indicator Data

Type of Pollutant			Unit	2022	2023	2024	Year-on-year variation in 2024
Wastewater discharge	Total industrial wastewater discharge	Quantification	Ton	20,189,000	17,944,000	15,534,049	-13%
	Total chemical oxygen demand emissions	Quantification	Ton	848	754	673	-11%
	Total ammonia nitrogen emissions	Quantification	Ton	78.2	70.5	63.0	-11%



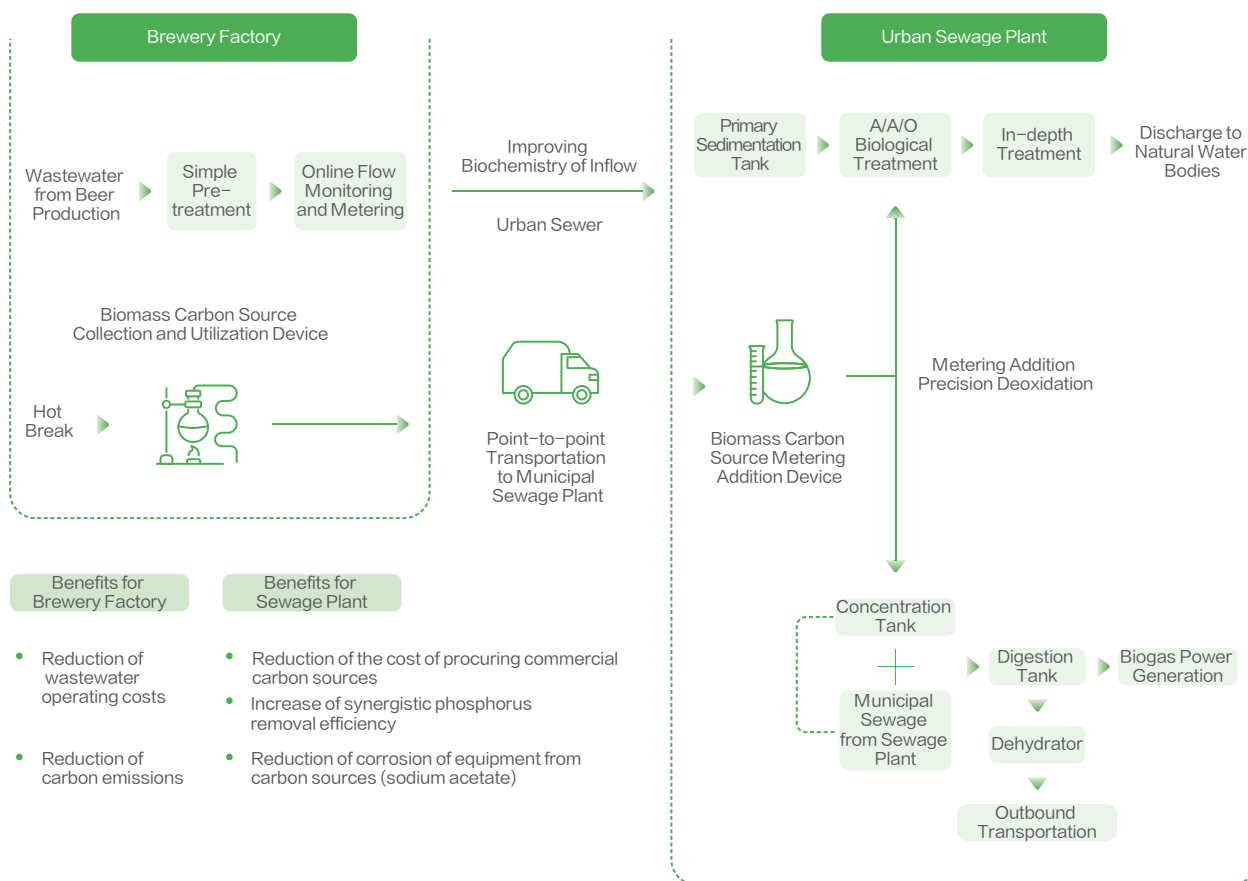
Waste Water Value Sharing Project

In accordance with the requirements of Article 4.2 of the Modification List to The Pollutant Emission Standard for the Brewery Industry (GB19821-2005), Tsingtao Brewery, actively promotes the signing of a wastewater value-sharing project between the Brewery Factory and the downstream wastewater treatment plant, whereby the beer wastewater is utilized as a biomass carbon source in the downstream wastewater treatment plant after simple pre-treatment. Through the implementation of Tsingtao Brewery's wastewater value-sharing project, the wastewater system process has been optimized and investment costs have been reduced. In 2024, 2 new factories signed up for the program, bringing the total number of contracted factories to 36. In 2024, the cost of wastewater treatment was saved by RMB 1.55 million, and the sludge was reduced by 2,649 tons, the electricity consumption decreased by 365,000 kWh, and the carbon emissions cut by 196 tCO₂e.



Sludge reduction in 2024

2,649 tons



► Beer Wastewater Value Sharing Project Flowchart

Energy Management and Efficient Use

The Company strictly implements *The Energy Law of the People's Republic of China* and other related laws and regulations, improves its “Energy Management System”, “Production Statistics Management System” and related operation standards, and continuously promotes process innovation, energy-saving renovation and the application of new energy-saving technologies. In 2024, the Company's comprehensive energy consumption of 1,000 liters of beer showed a year-on-year decrease of 2.5%.

Measures

► Establishment of Excellence Goal System and Special Training

We distinguish the process design and production process of different varieties, set up the standard energy consumption of each production link, establish the standard energy calculation model, and drive the energy consumption optimization with high goals.

The 2024 Power School was opened to conduct training and exchange on key points, operation methods and technical transformation plans in the operation process, so as to improve the factory's ability to solve difficult problems and energy efficiency.

► Refinement of Process Management

By refining standards, optimizing operation and improving equipment configuration, factory operation control has been standardized, further improving the efficiency of factory energy equipment, enhancing the factory's ability to identify energy saving points and develop improvement measures.

Efforts have been made to improve the anomaly alarm of key control points in the energy use process, control energy consumption in real time, monitor the key control points in the energy use process of key machines, achieve fine control of key energy-consuming equipment, and promote efficient energy use and recovery.

► Enhancement of Energy Efficiency

According to the technology, process and equipment characteristics of beer production, tailored improvement measures and key control points to reduce energy consumption in each link have been formulated. New technologies of energy-saving technical transformation have been put into use on a trial basis to improve key energy use equipment, and enhance system energy use efficiency.

► Optimization of Energy Consumption Structure

The use of renewable energy power has been continuously promoted. In 2024, 12 factories installed 16 megawatts of distributed photovoltaic power panels, and the annual self-built photovoltaic power generation capacity reached 9.235 million KWH.

► Total Involvement in Energy Conservation and Carbon Reduction

Rational suggestions for energy conservation and carbon reduction in factories have been solicited, and employees have been encouraged to work together around the Company's energy conservation and carbon reduction work, and create innovation and efficiency. Through this activity, a number of rational suggestions for energy conservation and carbon reduction have been summarized, such as the efficient recovery and utilization of boiling waste heat: For the largest heat generation process in a factory – the boiling process, the recovery and use method of “establishing the temperature gradient of energy storage tanks and distributing the heat according to demand” has been put forward. With “no secondary steam coming out in the boiling process” as the control goal, the efficiency of heat recovery has been maximized, saving 4,095 tons of steam in the year.



Results

In 2024, 53 factories used renewable energy based on the national green electricity trading mechanism, accounting for 80% of the total.

Indicator Data

Types of Energy Use and Consumption

Energy Use	Unit	2022	2023	2024	Year-on-year variation in 2024
Electricity	10 Million kWh	47.34	43.33	43.23	-0.2%
Natural gas	10 Million m ³	8.74	7.83	7.61	-2.8%
Heating power	Billion KJ	2,500	2,050	1,884	-8.1%
Comprehensive energy consumption per unit product of beer production	Tons of standard coal per one thousand liters	0.03	0.028	0.027	-2.5%



Action Case

We have adopted heat pump technology to promote the combined cooling and heating supply project of the packaging workshop, and upgraded the use of the hot air of more than 30 degrees Celsius in the production workshop to generate heat energy above 60 degrees Celsius for the use of the workshop. This has reduced 60% steam consumption of the sterilizers while lowering the temperature of the packaging workshop and improving the working environment.



► Air source heat pump units

Packaging and Waste

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

Green and Recycled Packaging

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

Indicator Data

Product Packaging Material Consumption Data

Material	Unit	2022	2023	2024	Year-on-year variation in 2024
New beer bottles	Kilotons	1,171	1,380	1,236	-10%
Used beer bottles	Kilotons	3,139	2,769	2,412	-13%
Ring-pull cans	Kilotons	83	73	75	3%
Carton	Kilotons	254	245	198	-19%
Plastic films	Kilotons	10.203	10.720	10.665	-0.5%
Bottle caps	Kilotons	23.00	25.35	21.81	-14%
Trademark	Kilotons	9.89	9.92	9.03	-9%
Total packaging quantity	Kilotons	4,690	4,513	3,969	-12%
Packaging quantity per unit product of beer production	Kiloton/Kilolitre output	0.0005999	0.0006091	0.0005488	-10%

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

Lightweight Packaging

Relying on the State Key Laboratory of R&D Center, the Company has carried out research and promotion of a series of low-carbon packaging materials: in 2024, the weight of 500mL white beer bottles was reduced by 75g, and the use of 20% and 40% recycled aluminum cans was promoted; the QR code outside the carton was optimized to reduce the amount of ink used, and the inkjet size was reduced from the

original 25*25mm to 20*20mm; the 0.208mm thick aluminum lightweight easy-to-open caps were used; the winding film thinning project was also popularized. Through the use of lightweight bottles, easy to open caps, and renewable aluminum can reduce carbon emissions by 17,000 tons per year.



Use of New Packaging Materials

In March 2024, Tsingtao Brewery 1903 10% 500mL*12 cans octagonal carton was officially launched in the Brewery, which increased the compressive strength by 15% and saved the paper area of the carton by 5%; in August, Tsingtao Brewery worked with the upstream paper factory of the supply chain to jointly innovate and develop carbon-neutral wrapping paper. In the field of beer packaging, Tsingtao Brewery took the lead in exploring and successfully developing 180 g feather-weight high-strength Tsingtao Brewery special coated white kraft paper, and launched the Tsingtao Brewery special carbon-neutral paper. The technology achieves the goal of “zero” carbon in paper through improvements in energy, formulation and key processes. Meanwhile, Tsingtao Brewery also encourages carton suppliers to use carbon-neutral wrapping paper, actively explores new supply chain cooperation models, and helps upstream and downstream cooperation enterprises accelerate the green transformation.



Use of Recyclable Materials

PP hollow sheet circulation box: cycle testing in 1L Crystal Draft products has been completed and recycling and finishing system has been established; the conditions for promotion have been ready.

The Company attaches great importance to the recycling of glass bottles. In 2024, we continued to strengthen cooperation with glass bottle suppliers, optimized the glass bottle recycling process, and established a glass bottle recycling mechanism. The glass bottle suppliers can recover the broken glass generated while supplying glass bottles to the Company, forming the recycling and production of glass bottles. The Company's suppliers collected 31,418 tons of broken glass for recycling in 2024.

The Company promoted the return of empty boxes with bottles at some distributors on a pilot basis, and recycled beer bottles using beer cartons. This measure increased the beer bottle recycling rate while increasing the carton recycling rate. In 2024, the packaging materials reduced carbon emissions by 164,000 tons.



Total Carbon Emission Reduction
by Packaging Materials

164,000 tons

Waste disposal

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

Measures



- ▶ Non-hazardous waste emission reduction management: Further strengthen the normative management of solid waste treatment, check and verify the quality of the final disposal of all factory waste, and dispose of it legally and in compliance with the law.
- ▶ Hazardous waste emission reduction management: Hazardous waste treatment methods are incineration and comprehensive utilization. Emission reduction focuses on three types of hazardous waste (waste mineral oil, chemical waste liquid, waste packaging contaminated with hazardous waste). By reviewing refrigeration stations, packaging, waste water online equipment and other source generation processes, seven key measures for hazardous waste reduction have been formed. We guided the factories in the development of a reduction plan, reviewed the total amount of hazardous waste generated and the amount of hazardous waste generated per unit of product every month, and completed the 2024 emission reduction target.

Indicator Data

Non-Hazardous Waste		Unit	2022	2023	2024	Year-on-year variation in 2024
Spent lees	Quantification	Ton	137,689	127,484	125,523	-2%
Spent yeast	Quantification	Ton	11,726	11,113	10,846	-2%
Waste glass bottles and ring-pull cans	Quantification	Ton	53,529	36,982	34,206	-8%
Total non-hazardous waste	Quantification	Ton	300,173	269,025	252,727	-6%
Density of non-hazardous waste	Quantification	Ton/Kilolitre output	0.0384	0.0363	0.0350	-4%

Hazardous Waste		Unit	2022	2023	2024	Year-on-year variation in 2024
Total Hazardous Waste	Quantification	Kg	111,064	110,724	107,387	-3%
Density of non-hazardous waste	Quantification	Gram/Kilolitre output	13.71	14.94	14.85	-0.6%



Green Development

As the “chain leader” enterprise in the food and beverage industry, Tsingtao Brewery has built a number of new smart factories across the country and in Qingdao, Zaozhuang, Rongcheng, Zibo, Linyi and Weifang within Shandong Province through new construction, relocation, expansion, and technological transformation in recent years. The construction has accelerated the improvement of the quality and efficiency of traditional manufacturing industries.

In 2024, the Company led high-quality development with the construction of major projects. The Tsingtao Brewery Fifth Factory High-end Specialty Beer Production Base Project was launched; the construction of Shandong Immense Beer Intelligent Production Base Project, Weifang 600,000L Beer Production Base Project and Anshan Digital Intelligent Beer Production Base (P1) Project were commenced successively. The construction of the projects was steady and unstoppable, nurturing new hopes and accumulating new momentum for future development.

Tsingtao Brewery Named the world's first “Sustainable Lighthouse Factory” in the food and beverage industry



On October 8, 2024, the new List of Lighthouse Factories was released by the World Economic Forum. With a history of 121 years, Tsingtao Brewery was named the world's first “Sustainable Lighthouse Factory” in the food and beverage industry. “Sustainable Lighthouse Factories” have been selected out of “Lighthouse Factories”, which are not only intelligent and efficient, but also lead the green and low-carbon development, thus known as the “Lighthouse among the Lighthouses”.

Tsingtao Brewery further improves the excellent degree of resource recycling, effectively breaks the production constraints by improving the integration of industrial Internet and Internet of Things, and further enhances the comprehensive benefits of resources, energy consumption and ecological dimensions. The innovation practice of sustainable development is integrated into the entire product

life cycle, promoting the optimization and upgrading of the industrial chain through advanced technology, and improving the “low-carbon competitiveness” of the enterprise. Tsingtao Brewery continues to lead the optimization and upgrading of the value chain, and also opens a new vision for the high-end, intelligent and green transformation and upgrading of traditional manufacturing.

In the interview with CCTV's Focus Report, Yan Jianwen, member of the National Intelligent Manufacturing Expert Committee, revealed, “In the process of sustainable development, Tsingtao Brewery continues to use edge computing, carbon reduction and green manufacturing concepts, demonstrating that China's manufacturing industry is not only capable of independent innovation, but also showing that we have the ability of sustainable development.”

High-end, Intelligent and Green Development Project

Tsingtao Brewery Fifth Factory High-end Specialty Beer Production Base Project Launched

On March 29, Tsingtao Brewery High-end Specialty Beer Production Base Project was launched in Tsingtao Brewery Fifth Factory, Laoshan District, Qingdao. This future factory is expected to produce all kinds of high-end specialty products of Tsingtao Brewery, leading and meeting the high-end, diversified and personalized consumer needs of the market.

Weifang 600,000L Beer Production Base Project Commenced

On April 28, the Commencement Ceremony of Tsingtao Brewery (Weifang) Manufacturing Co., Ltd. 600,000L Beer Production Base Project was held in Weifang. The project will use the latest intelligent equipment, robotics, intelligent sensing technology and industrial Internet+5G applications to achieve intelligent automation from warehousing of packaging materials, production packaging, product offline storage and logistics loading.

Shandong Immense Beer Intelligent Production Base Project Commenced

On April 17, the Commencement Ceremony of Tsingtao Brewery Shandong Immense Beer Intelligent Production Base Project was held in Mengyin County, Linyi. Through the adoption of advanced equipment, digital technology and intelligent methods, the project will continue to enhance the development momentum and operation capacity, improve the level of green production, and create a new benchmark for the high-quality development of advanced manufacturing.

Anshan Digital Intelligent Beer Production Base (P1) Project Commenced

On November 22, the Commencement Ceremony of Tsingtao Brewery (Anshan) Co., Ltd. Digital Intelligent Beer Production Base (P1) Project was convened in Tai'an High-tech Agricultural Industrial Development Zone, Anshan. Through the construction of a joint workshop, the new factory will realize "integrated operation", "one-click switch" of multi-variety flexible production, and "one-click control" from warehousing of raw materials and brewing production to delivery of finished products out of the warehouse, creating a first-class beer production base in China.

Incorporation and Inauguration of Qingdao Jiuyuan Technology Co., Ltd.

On December 15, the Signing Ceremony of Strategic Cooperation Framework Agreement between Tsingtao Brewery and Shinan District of Qingdao City and Inauguration Ceremony of Qingdao Jiuyuan Technology Co., Ltd. were held. Taking the opportunity of the establishment of Qingdao Jiuyuan Technology Co., Ltd., Tsingtao Brewery has given play to its leading role in digital transformation as the "chain leader" enterprise in the food and beverage industry, actively promoting the digital transformation of regional industries. Both parties hope to take this opportunity to carry out in-depth cooperation on digital technology, fashion consumption, financial services and other sectors, promote the empowerment of the digital industry, create a new field of fashion consumption, achieve quality and efficiency improvement of the financial industry, and inject new momentum into economic and social development.





Green Support Action

Tsingtao Brewery strictly abides by the requirements set forth in *The Regulations on the Administration of Environmental Protection in Construction Projects*, closely monitors and properly manages the impacts of the production process on the surrounding environment, and incorporates consideration of biodiversity and ecological protection into the entire life cycle of the factory construction projects. When selecting a new factory project site, we strictly abide by the requirements of the site selection clause of the GB14881 National Standard for Food Safety – General Hygienic Code for Food Production, fully evaluate and investigate the water quality, ecological environment and community environment around the factory, and take the evaluation results as an important evaluation index for the site selection of the new factory. In the construction of supporting infrastructure for the new factory, we actively take environmental protection, pollution prevention, biodiversity protection and other measures to ensure that the impact on the surrounding environment is minimized.

In day-to-day operations, the Company calls on total involvement in environmental protection volunteer activities. Taking important environmental protection festivals such as Arbor Day, Earth Day, June 5 Environment Day, and National Ecology Day as opportunities, we make propaganda posters and shoot propaganda videos to create an environmental environment and raise the environmental awareness of all employees. Factories have been organized to carry out characteristic environmental volunteer activities such as water source protection, garbage classification, low-carbon walk, plastic reduction, food conservation, environmental protection knowledge competition and waste material handicraft production. The Company has also called on all factories to protect the rivers of the cities where they are located, organize activities such as cleaning up plastic waste along rivers, and releasing local fish. The factories have also been encouraged to organize and carry out biodiversity protection activities such as mangrove protection and wildlife protection. These practical actions have practiced the environmental claim of “Adding Greenness to the Environment” and the environmental concept of “For a Better World” of Tsingtao Brewery, comprehensively improving employees’ environmental awareness.

- ▶ Jieyang Company and Jieyang Municipal Ecological Environment Bureau Jointly Carried out Environmental Protection Publicity Activity Inside the Factory



- ▶ Environmental Volunteer Activity of Sanshui Company



- ▶ Shenzhen Company Offered Research Course (Used Beer Bottle Painting) in the School to Spread the Environmental Protection Concept of Recycling



- ▶ Environmental Volunteer Activity of Zhuhai Company





Giving the Stage to the Endeavors and Applauding the Achievers

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



Occupational Health and Safety	56
Protection of Rights and Interests	58
Employee Growth and Innovation Culture	62
Employee Care	69

Occupational Health and Safety

Tsingtao Brewery unswervingly promotes the high-quality development strategy and puts forward higher requirements for safety production work. Adhering to the “safety first, prevention foremost, comprehensive management” policy in work safety, Tsingtao Brewery guarantees its high-quality development with a high level of safety.

Work Safety



Safety related investment made
in 2024 up to

RMB **50** Million

Tsingtao Brewery always complies with the requirements of 148 laws and regulations as well as national standards, including *The Law of the People's Republic of China on Work Safety*, *The Law of the People's Republic of China on Fire Prevention and Control*, *The Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *The Law of the People's Republic of China on the Safety of Special Equipment*. The Company has been certified by the DNV (Det Norske Veritas) ISO45001 system.

In 2024, all units received 63 government commendations, including 1 provincial commendation and 19 municipal commendation. All units of the Company accepted 126 government inspections at the state, provincial, municipal and county levels, including 28 provincial and municipal government inspections. The Company had 4 lost working day injuries, with the number of lost working days amounting to 187 days.

Measures and Results

Safety is the prerequisite for development, and development is the guarantee of safety. Based on the safety work policy of “all-round risk identification for a zero rate; full coverage of safety inspection with zero dead corners; full elimination of hidden hazards for zero tolerance”, Tsingtao Brewery adheres to the people-oriented, safe development, carries out creative work in close combination with the actual safety production management.

Sound Organizational Structure

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

Full-coverage Safety Inspections

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

Risk Management and Investigation

- Focusing on seven major categories of significant risks in the beer industry, the Company has identified four key management areas on an annual rolling basis.
- Safety related investment made in 2024 was up to RMB50 million.
- The units carried out hidden hazard investigation and elimination according to the risk list, and “controlling risks and eliminating hidden hazards” has become the standard action of safety management. Beer factories all over the country have become a model of local safety management.



Safety Culture and Training Management

- The Company has formed a standardized three-level safety education system and organized various forms of safety education and training based on learning laws and regulations, safety management processes and systems. The combination of online and offline training has involved all employees, with 41 hours of safety training per capita.
- With the theme of “controlling risks and eliminating hidden hazards, my own safety up to me”, the safety culture activities have been carried out throughout the year; the various forms of safety culture activities, such as General Manager’s Safety Class, the First Safety Lesson of Work and Production Resumption, Be Perceptive Leaders, Safety Review and the Work Safety Inspection, have created a strong safety atmosphere.
- In 2024, 1,082 teams and groups participated in the standardization construction of safety management, and nearly 10,000 participants participate in learning and answering questions online; 60 teams and groups were shortlisted for the appraisal of Excellent Safety Teams and Groups, and 9,579 emergency plan drills at all levels were organized throughout the year.



▶ Shenzhen Company Carried out AED Safety Education Training



▶ Yangzhou Company Held Contractor Safety Training Activity

The Company continuously improves its occupational health management system, promptly identifies and strictly implements the requirements of relevant national regulations, conducts regular working environment tests for the 27 identified occupational disease hazards. We organized occupational health check-ups for nearly 10,000 employees, updated employees’ work uniforms and protective shoes, and invested approximately RMB40 million in labor protection throughout the year, thus effectively safeguarding the occupational health of employees.

Occupational Health



Labor Protection Fund
Investment

RMB **40** Million

Protection of Rights and Interests

Equal Employment

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

Measures and Results

Adhering to the talent concept of “giving the stage to the endeavors and applauding the achievers”, Tsingtao Brewery has established and improved the human resources management system, carried out employee management according to law, and guaranteed their legitimate rights and interests. Through Tsingtao Brewery Recruitment Management System, Tsingtao Brewery Labor Contract Management System, Job Competition Management System and talent management system, the Company has ensured the institutional basis and standardized implementation of the recruitment and promotion of employees.

The Company provides equal employment and development opportunities to the applicants without discrimination or differentiation in employment, promotion and remuneration due to gender, age, region, ethnicity, race, religious belief, disability or other factors. The Company's recruitment standards strictly enforce legal requirements prohibiting the employment of child labor and forced or compulsory labor, and no significant risk of child labor or the use of forced or compulsory labor was identified in any of its operations in 2024.

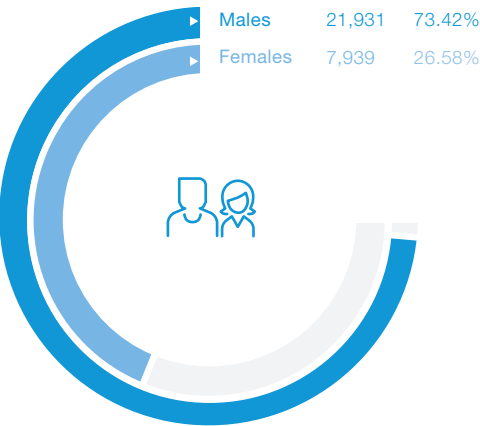
Indicator Data



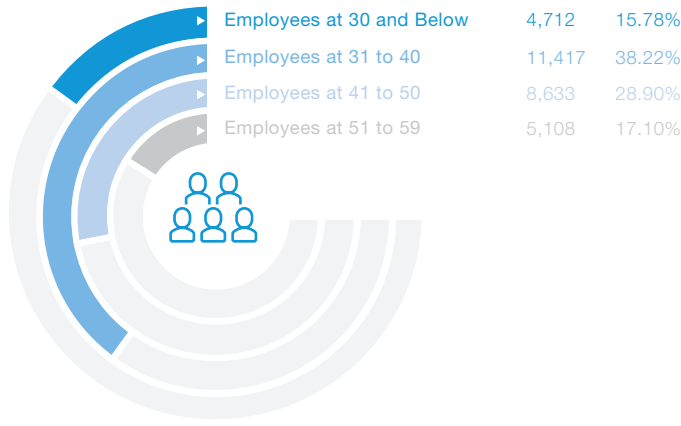
In-service Employees by the End of 2024

29,870

Ratio by Gender

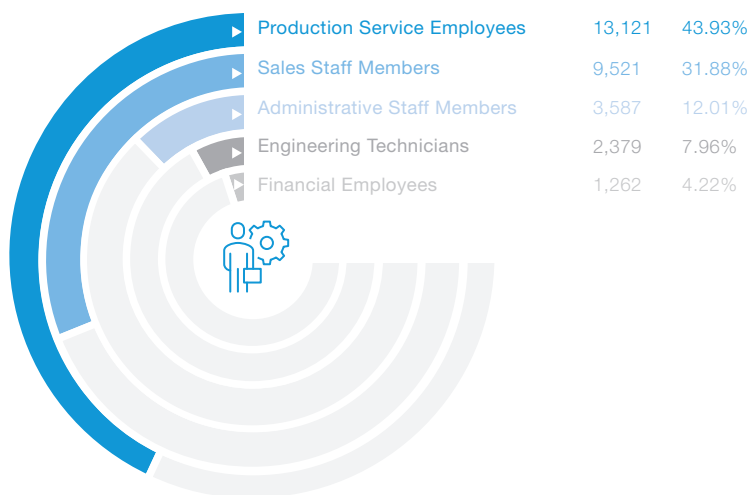


Ratio by Age





By Specialization Composition Ratio



Statistics on Employee Separation Rate

Category Ratio

Active Separation Rate 5.87%

Ratio of Active Separation Rate by Gender

Male Active Separation Rate 4.95%

Female Active Separation Rate 0.92%

Ratio of Active Separation Rate by Age

Active Separation Rate at 30 and Below	3.81%	Active Separation Rate at 41 to 50	0.32%
Active Separation Rate at 31 to 40	1.67%	Active Separation Rate at 51 and Above	0.07%

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

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

Compensations and Benefits

Measures and Results

Tsingtao Brewery fulfills the labor contract and pays social insurance and housing fund for its employees according to law. In 2024, the employee labor contract signing rate was 100% and the employee social insurance participation rate was 100%.

The Company always puts the employees first, takes what employees want into consideration, gives them what they need, and is committed to improving employee satisfaction. To provide employees with a comprehensive compensation and benefits system and improve the long-term incentive mechanism, the Company implemented the enterprise annuity plan and improved the multi-level endowment insurance system in 2024, enhancing the cohesion and attractiveness of the enterprise and promoting the common development with the employees.

In 2024, the Company promptly launched "Tsingtao Brewery Enterprise Annuity Management System" and "Scientific Research Talent Position and Remuneration Incentive Mechanism" to drive organizational development and transformation.

In 2024, Tsingtao Brewery's Employee Happiness Index was 95.35%, marking a continued improvement of employees' sense of corporate well-being.

In 2024, the Company instructed all units to implement paternity leave, parental leave and nursing leave to effectively protect the rights and interests of employees; the retention rate of employees returning to work after parental leave was 100%. Meanwhile, the Company protected the legitimate rights and interests of female employees, such as labor right, development right and education right, offered precise care for employees, and effectively improved the quality of life of employees.



Employee labor contract signing rate

100%

Employee social insurance participation rate

100%

Employee Happiness Index

95.35%

Won Several Employer of the Year Awards

In 2024, Tsingtao Beer won several Employer of the Year Awards in the Employer Evaluation organized by a number of professional, leading and influential selection agencies in China by virtue of its outstanding performance in the dimensions of outstanding employer image, talent concept, training and development, remuneration and benefits, happiness index and innovative practice.



June 2024

Best Employer School
Recruitment Case Award by
Zhaopin.com



August 2024

HRoot
Best HR Team by HRoot



December 2024

Shandong Extraordinary
Employer of the Year by Liepin



September 2024

Forbes China – Best Employer
Forbes China & Russell
Reynolds Associates

November 2024

China's Best
Employer of the Year
by Zhaopin.com

December 2024

Most Influential
Employer by
Haitou.cc & Liexing

December 2024

China's New
Generation Employer •
Urban Impact
Employer by 58.com



Employee Rights and Benefits



On June 4, 2024, the Fifth Meeting of the Sixth Employee Congress of Tsingtao Brewery was held. The representatives of all departments and units listened to and reviewed the Company's "2024 Measures for the Administration of Employee Salary Budget and Assessment", "Tsingtao Brewery Work Report on the Employee Representatives' Proposal at the Third Meeting of the Sixth Employee Congress" and other special reports. All the representatives put forward many constructive comments and suggestions regarding the Company's production and operations, management improvement, talent team building employee needs, employee care and other aspects, and adopted the reports by voting.



Employee Growth and Innovation Culture

Talent Team Building

Tsingtao Brewery has built a team of high-quality skilled talents and put in place a talent training system consisting of six modules – leadership development, marketing business support, manufacturing business support, online learning management and training resource management. With the training methods of leadership development, expertise improvement, business skill expansion coupled with the reserve line and competency line, we have incubated training programs covering all management levels, such as TT-EMBA, Silver ★ Qualification Class, and First-line Manager Promotion. On the basis of professional schools and training bases, we have focused on professional ability improvement to train backbone members, and promoted the best practice standardized model. Batches of talents mastering new skills, showing new style and creating new value have continuously emerged.

The honor system for high-level talents has been enriched and the career development channels of various talents have been further unblocked. Thus far, we have cultivated 1 National Special Support Program Leading Talent, 2 Taishan Industrial Leaders and 4 National Technical Experts. In 2024, 21 employees won the First Prize in National Skills Competition, 3 employees received the First Prize in Provincial Competition and 25 employees obtained the First Prize in Prefectural Competition; a total of 36 new skill honors at or above the municipal level were received, including 20 skill honors at the provincial level.

The Company has set up expert workstations which are a think tank for corporate quality and efficiency improvement. At present, 34 technical expert workstations have been established, 20 of which are at the provincial and municipal levels. We have continued to promote the research by skilled personnel, optimized the structure of multi-skilled workers, and increased the proportion of multi-skilled workers by 5.5%.

Measures and Results

At the end of 2024, the Trade Union of Tsingtao Brewery organized the second Tsingtao Brewery “Great Craftsman (Artisans)” and “Professional Skills Star” Recommendation and Selection. Among the Craftsman (Artisans) and Professional Skills Stars honored, there are artisan representatives who have continued to make contributions, promoted the intelligent transformation of factories, solved production efficiency problems and obtained a number of patents, and leading artisan representatives who have actively reduced energy consumption and promoted a number of indicators of the Company; there are also highly skilled talents who have honed their superb skills, make job innovation and creation, and won the Champion and the First Prize at national, provincial and municipal skills competitions at all levels; there are also skills stars who actively give play to the value of professional skills to help achieve sales increase, market development, cultural communication and win the Champion and the First Prize in skills competitions of professional fields at all levels. They hone and improve their skills, and strive to be the first, and become the knowledge-based, skill-based and innovative high-quality industrial workers that the Company needs for high-quality development.



In November 2024, Shandong Province Urban Leading Industry Vocational Skills Competition and 2024 National Beer Brewers Vocational Skills Competition were held in Qingdao. A total of 38 teams composed of 108 first-line industrial workers from 17 provinces (municipalities directly under the Central Government) participated in the competitions. After the theoretical test, simulation practice, evaluation practice and other competition links, the employees of Tsingtao Brewery won the top three in the competitions. Tong Mingming of Tsingtao Brewery (Anshan) Company won the First Prize.





In September 2024, Shandong Province "Thriving Shandong with Skills" Vocational Skills Competition and Shandong First Intelligent Equipment Maintenance Electrician Vocational Skills Competition in the Beer Industry ended in Qingdao. More than 250 technicians from more than 50 enterprises competed for the first time, and 36 employees of the Company made into the "finals", and took the top three places. Champion Li Jian of Tsingtao Brewery said, "I have not been exposed to this kind of digital programming before, and I have tempered my skills step by step through the Skills Competition." The Company has many role models of skilled talents, and everyone's growth vividly interprets the current development environment that "how high the skills are, how big the stage will be."



Tsingtao Brewery has held the 120-year Ingenuity Culture Festival & Ingenuity Dream and Skill Development Theme Event for three consecutive years to commend the high-skilled talents. This event is intended to continuously spread the "ingenuity" awareness, keep the "ingenuity" culture alive, and inspire all employees to refine their skills under the theme of "Ingenuity Dream and Skill Development". In addition to traditional skills talents such as brewers and beer tasters, there are also "rising stars" in industrial data management, beer sommeliers, Internet marketing and other fields, which continue to build a solid foundation for quality improvement skills.



In 2024, Tsingtao Brewery utilized the advantages of a broad platform and resources to set up a growth stage for its employees through building mechanisms, creating an environment and promoting growth. The Company achieved 100% employee training coverage and completed 54.1 hours of training per capita.

Talent Empowerment

Measures and Results

Digital Talent Empowerment



In terms of digital talents, through the establishment of a general skills course system and the organization of digital knowledge competitions and special certification, the digital literacy and core competence of employees have been improved, and the penetration rate of third-level digital talents is 100%. During the year, employees participating in digital courses reached 301,900 people-times and 210,054 digital badges were awarded.



Person-times participating in
digital courses in 2024

301,900

person-times





Employee training coverage rate

100%

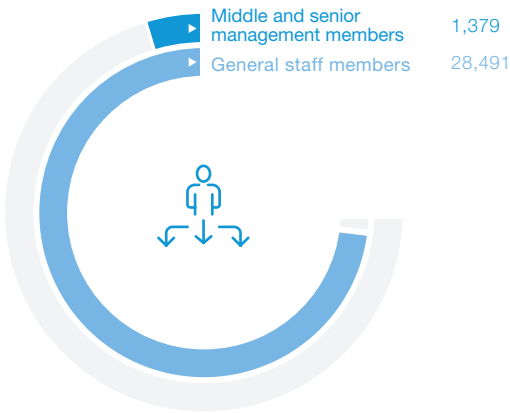
Product Marketing Training



In 2024, special training covering eight core areas, namely, advertising, price labeling, intellectual property protection, consumer rights and interests protection, business competition, promotion, personal information and data protection, and network broadcast, was conducted for functional managers of the headquarters and the three centers, with a coverage rate of 100%; the learning of “Beer Knowledge”, “Marketing Safety Management Knowledge” and other courses was promoted, and the learning coverage of new business representatives and management trainees reached 100%.

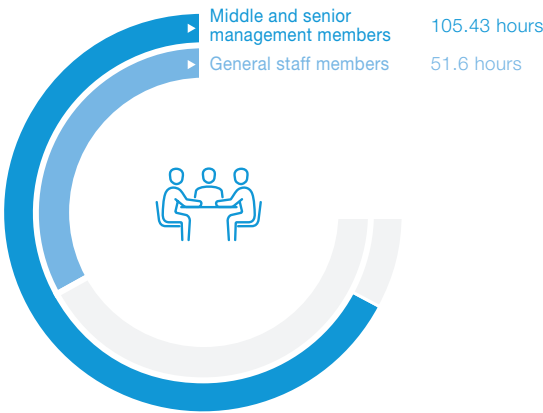
Indicator Data

Number of employees trained



Number of employees trained by rank

Average number of hours of career development training



Average number of hours per trainee by rank



Total number of employees trained

29,870



Average training hours per employee

54.1 hours



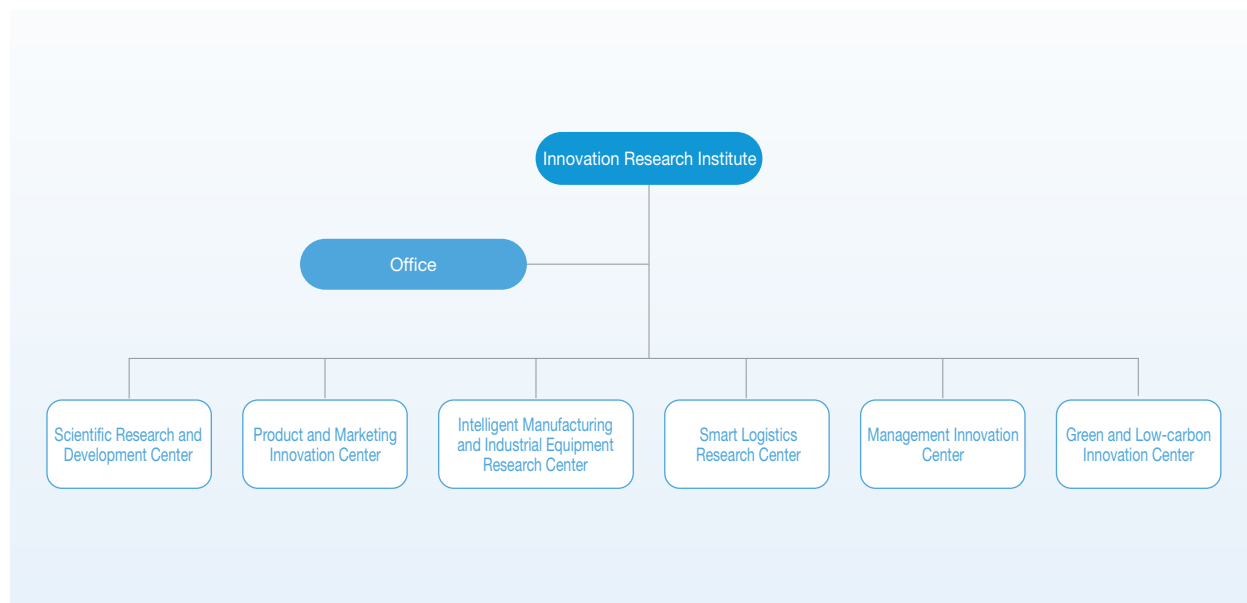
Innovation Supports Corporate Growth

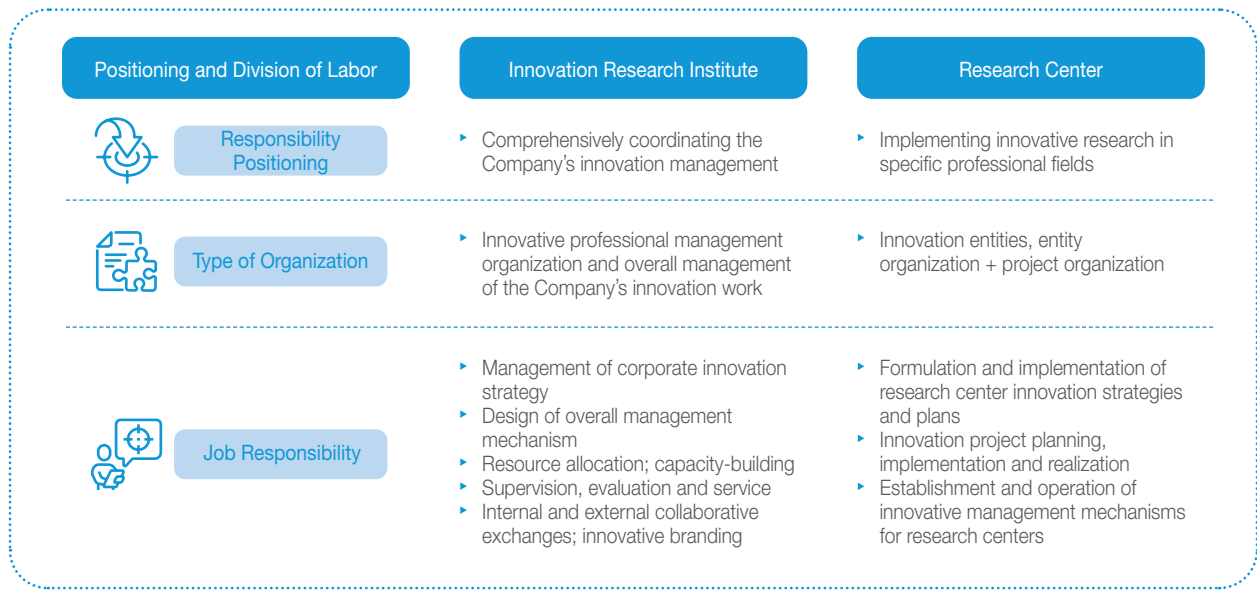
Establishment of Innovation Research Institute



Innovation means development, and innovation represents the future. Taking innovation as the engine in recent years, the Company has made fruitful results in technological innovation, product innovation, channel innovation, scenario innovation, brand innovation and sustainable development innovation, forming unique core competitiveness. In order to further enhance its systematic innovation ability, the Company has set up Tsingtao Brewery Innovation Research Institute comprehensively coordinate the innovation management. The Innovation Research Institute consists of six Innovation Research Centers, Namely, Scientific Research and Development Center, Product and Marketing Innovation Center, Intelligent Manufacturing and Industrial Equipment Research Center, Smart Logistics Research Center, Management Innovation Center and Green and Low-carbon Innovation Center. These centers work together to carry out innovation research work in specific professional fields.

Under the guidance of the innovation strategy, the Company has systematically planned the innovation process management and “six in one” innovation management system involving innovation mechanism, innovation incubation, innovation empowerment, innovation ecology, innovation brand and innovation space, providing important support for the continuous promotion of high-quality sustainable corporate development.





Continuously Improving Project Management Results



In 2024, the Company held the “Continuous Improvement Project Results” Release Conference, and selected one First Prize, two Second Prizes, five Third Prizes, and four Excellence Awards for Six Sigma Projects as well as 2 First Prizes, 8 Second Prizes, 11 Third Prizes and 7 Excellence Awards for QC Projects. The Results Release Conference released 12 Six Sigma Projects and 30 QC Projects from the 342 registered projects of the year reviewed, covering energy, efficiency, quality, packaging, digitization, logistics delivery efficiency, etc.. Furthermore, the Conference also carried out quality management group activity criteria training and project co-creation discussion, unfolding continuous improvement planning closely around the Company's strategy.

The China Light Industry Entrepreneurs Annual Meeting announced the 2024 Light Industry Enterprise Management Modernization Innovation Evaluation Results. Tsingtao Brewery won 3 First Prizes, 3 Second Prizes, setting a record high in the number of awards. The factory's management innovation achievements won the First Prize for the first time.





Employee Care

Oriented towards the employee needs, the Trade Union of Tsingtao Brewery implements meticulous care for employees, and provides more inclusive, normal and accurate services for the majority of employees. The Party Group Meeting of Shandong Federation of Trade Unions decided to accredit the Company as a pilot unit to improve the quality of life of employees in 2024.

Tsingtao Brewery actively carries out employee care activities. Among them, the Spring Festival Celebration is to focus on workers with difficulties and front-line workers; the Cool Summer is to promptly provide various types of heat prevention and cooling materials for all units, and construct "Cool Stations"; the Educational Aid Parent-child Lecture themed with "Dream Sailing for Students" is to focus on the needs of employees and their children and help address the problems; the Warm Winter is to provide employees with all-round practical protection.

Inclusive Care



► Cool Summer



► Educational Aid



► Employee Visit on Labor Day



► Providing Employees with Heatstroke Prevention Pack

Support to Employees in Difficulties

Support to employees in difficulties has been regular, timely and accurate. The support mechanism for employees in difficulties has been improved. Support to employees in difficulties, special handling of urgent matters and Tsingtao Brewery Care Foundation have formed a well-layered and focused gradient support system. These multiple measures guarantee timely and effective employee support. In 2024, the Company visited a total of 163 employees in distress of subordinate units under Tsingtao Brewery, allocated condolence payments and distributed condolence goods totaling RMB199,250. Visits were also paid to 87 overseas workers, and condolence goods worthy of RMB39,130.56 were distributed. On the basis of corporate support, we promptly applied for the Employees in Distress in Qingdao for the employees of the subordinate units, won the living assistance of RMB6,000 and the reduction of public utility related expenses, working with the employees to overcome the difficulties.

In 2024, Tsingtao Beer Care Foundation helped 20 employees from 17 companies suffering from serious diseases such as malignant tumor, cerebral infarction and leukemia, spending a total of RMB650,500. In 2024, 48 units donated a total of RMB618,900 to Tsingtao Beer Care Foundation.



► Jiujiang Company and Tsingtao Brewery Factory Organized Employee Care Foundation Donations

Characteristic Care

The Employee Benefit Program has been advanced from the three dimensions of health benefit, cultural benefit and living benefit. In 2024, the Company continued to offer the paid examination support leave for in-service employees whose children attended the senior high school entrance examination or college entrance examination based on the days for the timetable of high school entrance examination or college entrance examination released by different cities plus one day. A total of 12 employee health activities were held, including medical consultation, traditional Chinese medicine pulse feeling, Health Lecture, work-break exercises and brisk walking. Multiple units also organized basketball games to promote health while enriching the cultural and sports life of employees. Celebration activities during Lantern Festival themed with “Start a New Journey in the Happy and Peaceful Lantern Festival”, Dragon Boat Festival, National Day Festival and Mid-Autumn Festival as well as activities organized by the Calligraphy and Painting, Football, Table Tennis and Shuttlecock Clubs were organized, and Short Video Interaction Competition was held to promote communication among employees, release pressure and stimulate vitality. The Company also continued the retirement with honors event themed with “loyalty to the Party, retirement with honors, eternal spirit of Tsingtao Brewery. We further carried out Labor Skills Show for Employees’ Children themed with “I am a Little Labor Expert”, and Aixinjiu 5-minute Social Rescue Public Welfare Program training, training nearly 600 volunteers; day care service was also provided for employees’ children in summer, which was recommended by Qingdao Federation of Trade Unions, and granted financial support.



► Paid Examination Support Leave



► Spring Festival Happy Mart Activity



► Day Care Service for Children of Employees in Summer



► Mid-Autumn Celebration



► On September 27, 2024, "Praising New China for Forging Ahead in a New Era" – Tsingtao Brewery Staff Art Show in celebration of the 75th anniversary of the founding of New China was held. The distinctive and splendid acts in diverse forms eulogized the brilliant achievements of New China since its founding over the past 75 years and looked back at the magnificent chapter of Tsingtao Brewery and the motherland sharing a common destiny, jointly blessing the bright future of the great motherland, and vividly expressing the ardent love of Tsingtao Brewery for the country



04

Creating Social Value Together

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



Sustainable Supply Chain

74

Care for the Community

79

Sustainable Supply Chain

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

Responsible Procurement

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

Supplier Management and Performance Evaluation



Number of suppliers included into the List of Cooperative Suppliers in 2024

1,586

In 2024, the Company incorporated 1,586 suppliers from China, Germany, Canada, France, Argentina, the Czech Republic, the United States and other countries. There were about 773 productive material suppliers (including raw materials, packaging, additives, etc.) and 813 non-productive material suppliers.

Measures

► Establishing a Supplier Classification Management System

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

► Timely evaluation of suppliers

The Company regularly inspects and reviews new suppliers and existing suppliers in the process of cooperation, and the new suppliers that pass the review will be introduced. We provide management output to cooperative suppliers through inspection, and promote the joint improvement of suppliers. We check the suppliers' qualification certificate, financial conditions and credit rating, supply ability, environmental protection efforts, occupational health, employment relationship, supplier quality management, production technology, equipment configuration and food safety management. Furthermore, the corresponding risks of the suppliers are identified regularly through the third-party platform. In 2024, we audited 167 suppliers on site and found them compliant with the requirements.



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

The Company implements annual and on-site audits to comprehensively evaluate its cooperative suppliers each year, involving food safety, quality, service, actual supply completion rate and other dimensions, focusing on food safety, quality control and environmental performance improvement. All of its partner suppliers met the eligibility criteria in 2024.

► Driving the Suppliers to Practice ESG Idea

The Company values the performance of its suppliers in terms of quality, safety, environmental protection and social responsibility, and increases the consideration of suppliers' ESG risk assessment in every link. We hold supplier meetings by category from time to time every year, and export the development plans, management concepts and requirements of Tsingtao Brewery to suppliers through visits, exchanges and audits, so as to improve their ability to fulfill social responsibilities and realize sustainable development, and train suppliers for common development with us.

The Company certifies its suppliers in terms of quality, safety, environmental protection and social responsibility, and requires them to operate in compliance with national, provincial and municipal regulations. In sourcing new suppliers and auditing existing suppliers, ISO9001 certification, ISO14001 certification, and ISO22000 certification are included in the scope of supplier certification. At present, 101 suppliers have been certified by the 14001 Environmental Management System and 69 suppliers certified by the 45001 Occupational Health and Safety Management System.

Measures



Procurement from Multiple Producing Areas for Climate Change

- In light of the uncertain environmental factors brought about by climate change, the Company has adopted the procurement strategy of raw materials in multiple producing areas, and adjusted the procurement strategy in time based on market judgments.
- A list of barley varieties has been formulated. The Company tests, tracks, uses and evaluates new varieties with a certain planting area every year according to the changes of barley varieties in main producing areas, so as to ensure the diversity and stability of raw materials.
- Part of the barley has been purchased internationally to supplement the insufficient supply of domestic raw materials and ensure stable production.



New suppliers of production materials introduced during the reporting period

17

Suppliers Eliminated

17

Supplier Cooperation and Common Development



Funds Financed to Upstream Beer
Suppliers by the Company

RMB **176** Million



Continued Support for Indigenous Material Development

Tsingtao Brewery actively responds to national policies and continues to support the development of domestic raw materials, especially in the cultivation and procurement of hops, and has taken a number of measures:

- ▶ Cooperating with suppliers to build Tsingtao Flower and Fragrant Flower Planting Bases, promoting the purification and optimization of hop varieties, and ensuring the high quality of raw materials.
- ▶ Supporting indigenous barley cultivation, maintaining a certain amount of indigenous malt procurement to ensure the production of domestic malt suppliers and promote the sustainable development of domestic agriculture.
- ▶ Signing long-term contracts with the growers to encourage planting area expansion, and implementing high price for high quality to improve the quality and enhance the profitability of partners and growers.
- ▶ Upgrading management based on the cooperation base, continuously improving the field operation standards of partners, and controlling hop quality and quality from the source.



Financial Support for a Win-win Situation

In 2024, the upstream suppliers were strapped for funds, and the Company provided RMB176 million for upstream beer bottle suppliers to support their purchase of raw materials and sustainable production, and create a win-win situation.



Cooperative Innovation and Common Development

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



Promoting Green and Low-carbon Reform of the Supply Chain

Tsingtao Brewery has worked with its hops growing bases to gradually reduce the use of chemical fertilizers and promote organic biofertilisers instead. Through the use of organic biofertilisers, the soil health of the hops growing bases is significantly improved. The carbon sequestration capacity of the soil is also enhanced, and the carbon footprint of agricultural production is further reduced.



► China First Hops Co-construction Base Jointly Established with Gansu Yasheng Lvxin

In June 2024, the Opening Ceremony of Hops Co-construction Base of Tsingtao Brewery and Gansu Yasheng Lvxin Beer Ingredients Co., Ltd. was held. Both parties will give full play to their respective scientific research strength, resource advantages and brand influence, build China's first hops co-construction base, help enhance the core competitiveness of domestic hops, and promote the upgrading of traditional industries.

This strong partnership will set up a professional production management expert team, formulate the standard operation procedure of each production link, build a high-quality, high-standard hops raw material base, help achieve domestic standardized, mechanized and scale hops planting and industry chain development, and create a domestic hops industry benchmark base.

Adhering to the cooperation concept of “co-creation, sharing, win-win results”, the Company has accelerated the transformation of manufacturer collaborative distribution model according to local conditions, and continued to improve network operations. Efforts have been made to accelerate the digital construction of channels, giving dealers greater growth and competitiveness, and casting a network foundation for the Company's high-quality development.

Helping Dealers to Innovate and Change for Win-win Development

Measures



Manufacturer Collaborative Distribution Model (TM)

- In-depth promotion: the change areas increased by 18%; Change dealers increased by 34%.
- Resolute attack: Sales volume and structure increased over the same period, and dealers increased by 4%; dealer vehicles increased by 2%; both the direct supply rate and the Class AB direct supply rate increased by 5% year-on-year.
- Digital application: The SFA handheld application rate of dealers' business personnel increased by 12% year-on-year.



Network Architecture Capability Project

- ▶ Network cultivation, target introduction, a target completion rate of 115%.
- ▶ Network development, formulating three-year cultivation plan for newly introduced dealers.
- ▶ Network optimization: formulating optimization plans for traditional channel dealers with a sales volume lower than average and in operation for more than five years.



▶ Tsingtao Brewery Held "Tsingtao Brewery Global Channel Partner Conference 2024"

In May 2024, Tsingtao Brewery held "Tsingtao Brewery Global Channel Partner Conference 2024", attended by about 1,000 channel partner representatives from all over the world. The Conference once again spread the cooperation concept of "Co-creation, Sharing and Win-win Results", announced the Company's high-quality development strategy and corporate culture, boosted the confidence and morale of channel partners to move forward side by side with Tsingtao Brewery, and inspired the fighting spirit of channel partners and Tsingtao Brewery to jointly play in the market.



Care for the Community

Tsingtao Brewery has always been showing care and giving back to the community with practical actions, and continuously committed to the common development with public welfare undertakings. The employee volunteer team has been built, encouraging and organizing employees to actively participate in public welfare undertakings, and continuing to enhance the well-being of people. In 2024, the Company invested RMB1.2872 million in donations and public welfare undertakings.

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

Rural Revitalization



Beer Festival Boosted Local Economic Development

In 2024, Tsingtao Brewery hosted the Fifth Dingxi Tsingtao Beer Festival, carried out Tsingtao Brewery Carnival themed with “Gather in Longnan and Cheer with Tsingtao”, broadened the tourism market in the two places. The specialty products of Longnan and Dingxi were introduced, the charm of Longnan and Dingxi was promoted from multiple levels and multiple perspectives, so as to improve visibility, expand external influence, and help the cultural tourism communication and high-quality economic and social development of the two places.

From the successful holding of the first Dingxi Tsingtao Beer Festival in 2020 to the grand holding of the fifth Dingxi Tsingtao Beer Festival today, Dingxi and Tsingtao Beer Festival have met for five times. Dingxi Tsingtao Beer Festival has become an important support for vigorously developing holiday economy and night economy, and an important accomplishment demonstration platform for thriving night culture, invigorating night life, improving leisure consumption, and building a high-quality development pattern of Dingxi.

The 2024 Tsingtao Brewery Carnival themed with “Gather in Longnan and Cheer with Tsingtao” presented a splendid carnival feast for citizens and tourists, not only having a strong pull on the integrated development of business, culture and tourism and consumption growth, but also bringing long-term benefits to the IP shaping and economic development of Longnan cultural tourism. It would help develop Longnan into a pearl of economic and industrial development at the junction of Gansu, Shaanxi and Sichuan, bursting out more vitality and vitality.





In-depth Promotion of Consumption Assistance

In January 2024, Tsingtao Brewery actively responded to the “Notice on Organizing and Carrying out Cooperation between the East and the West on ‘Supporting Agriculture and Increasing Income Through Consumption Assistance’” issued by Qingdao Rural Revitalization Bureau and the call of Qingdao State-owned Assets Supervision and Administration Commission on the “Proposal on Carrying out In-depth Consumption Assistance Activities”. For continuous in-depth consumption assistance, the Company purchased more than 4,000 bottles of extra virgin olive oil products with a total value of RMB404,700 from Longnan Xiangyu Olive Development Co., Ltd. Since 2019, the Company has participated in East and West Cooperative Poverty Alleviation by Consumption, helped rural revitalization and East and West cooperative work during the Spring Festival for a total of six times, creating a good atmosphere for total involvement in consumption assistance.



Support Paired Villages

In 2024, Xi'an Company invested more than RMB170,000 of fixed-point support funds to complete the renovation project of the “Rural Revitalization Command Room” in Beiyan Village, support visits and holiday visits according to local conditions and in combination with the actual needs of the village, achieving good support effects. Weinan Linwei District leading group on consolidating and expanding the effective link between poverty alleviation achievements and rural revitalization sent a letter of thanks, and Beiyan Village also presented a banner, thanking the Xi'an Company for years of strong support for the work, and giving full affirmation on the efforts of Xi'an Company.





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

- ▶ In 2024, Tsingtao Brewery shouldered the social responsibility of helping the weak and the needy as always and continued to donate RMB100,000 to Qingdao Disabled People's Welfare Foundation out of concern to the cause of the physically disadvantaged. Since 2004, a total of RMB2.46 million has been donated to the physically disadvantaged.
- ▶ In September 2024, Tsingtao Brewery actively responded to the call of Qingdao Civil Affairs Bureau for donation on the ninth "China Charity Day" of Qingdao City, and donated RMB500,000 to the "China Charity Day" Charity Program of Qingdao Civil Affairs Bureau through Qingdao Charity Federation. Among the RMB500,000 donation, a directional donation of RMB200,000 was made to our pairing-off assistance town – Mingcun Town of Pingdu City, and a directional donation of RMB60,000 was made to Xingfu Village of Xinhe Town and Gegezhuang Village of Liaolan Town each, where the Company's village work teams were stationed. The remaining amount was used for public welfare and charity programs released at the launch ceremony of the ninth "China Charity Day" Theme Publicity Activity in Qingdao.
- ▶ Since 1996, the Company has set up the Tsingtao Brewery-Qingdao University Scholarship to reward outstanding students, help financially-stricken students, provide employment training and experience related social practice for students. As of 2024, the Company had made cumulatively helped 2,048 students with a donation of RMB6.2 million. In 2024, the Company donated RMB300,000 and rewarded 80 students.

In May 2024, at the 34th National Disability Support Day held by the Qingdao Disabled Persons' Federation, Qingdao Disabled Persons' Welfare Foundation presented Tsingtao Brewery with the medal of "Qingdao Disability Support Unit" to thank Tsingtao Brewery for its strong support in disabled persons' related work; in December 2024, Tsingtao Brewery won the "Qingdao Charity Love Award" issued by Qingdao Charity Federation at the 2024 Qingdao Top Ten Charity Companies Award Party themed with "Charity and Love Together".

Public welfare and charity

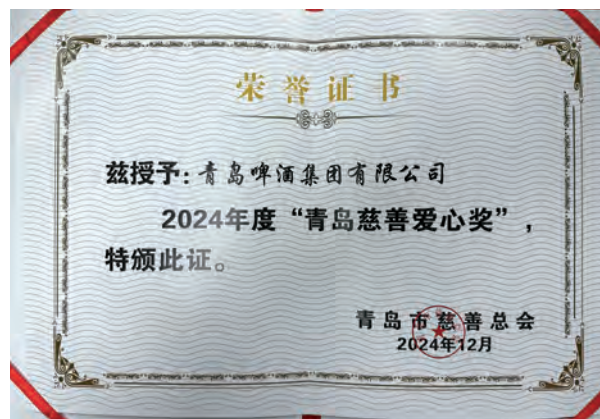


Number of students helped as
of 2024

2,048

Amount of donation

RMB **6.2** Million



Community Involvement and Volunteer Activities

The subordinate manufacturing system and marketing system units of Tsingtao Brewery have actively carried out employee unpaid blood donation activities to show love and protect the life and health of the people; for interaction with the community, these units have actively participated in advocacy activities for protecting rights and promoting the law, distributing brochures, and guiding consumers' attention to product quality and food safety; they have further jointly organized public welfare activities with urban communities to serve the residents around the communities and provide accurate and fine services to the people's livelihood...



Chenzhou Company donated to the community of Gaokuang South Road, Tangdong Sub-district, Zixing City for projects in the three key areas of community infrastructure construction, industrial assistance, and improvement of resettlement public services. Through the Zixing Municipal People's Government, 1,300 boxes of Pure Life Barley Tea beverage were donated to the Zixing Municipal Charity Federation to support the government's flood relief and post-disaster reconstruction work. Baoji Company donated 100 boxes of Youhuo natural mineral water, and 100 boxes of Prince soda water and 700 boxes of Hanstation kiwifruit flavor drink to Baoji Weibin District Flood Control and Drought Relief Headquarters to support rescue and disaster relief, and showcase love.





- Fuzhou Company, Suizhou Company, Tsingtao Brewery No. 3 Plant, Jieyang Company, Tsingtao Brewery No. 2 Plant, Sanshui Company, Taiyuan Company and other units organized voluntary blood donation of volunteers



- Luoyang Company carried out June 1 Visit to Huangyao Village Primary School in Yiyang County, Luoyang City, and brought new school supplies to the children



- Chenzhou Company voluntarily organized employees to donate uniforms to Zixing Special Education School



- Tsingtao Brewery actively responded to the arrangement of Qingdao Greening Committee, and organized employee voluntary tree planting in Fushan Forest Park, focusing on greening and beautifying Fushan, and replanting of the skylight open space in Fushan



Proposing Rational Drinking and Creating Happiness for Life

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

Measures



Key Care Groups of Tsingtao Brewery

Minors

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

Pregnant and Lying-in Women

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

Drivers

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

Patients

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

In response to the call of China Alcoholic Drinks Industry Association, Tsingtao Brewery has carried out rational drinking publicity activities for many years, and promoted the concepts of “Rational Civilization, No Drunk Driving”, “Care for Growth, No Underage Drinking” and “Moderate Drinking, Happy Life”. The Company has adopted online and offline methods to spread the concept of rational drinking in an all-round and multi-channel way to help create a harmonious and healthy drinking environment.

In online publicity, Tsingtao Brewery interacts with consumers through official websites, social media platforms and other channels, so that the concept of rational drinking is more deeply rooted in people’s hearts. In offline publicity, Tsingtao Brewery sets up publicity points in Tsingtao Beer Museum, Tsingtao 1903 Bar and other places. By posting publicity posters, distributing publicity materials, holding interactive activities, we allow the public to understand the importance of rational drinking in a relaxed and pleasant atmosphere. After participating in the activities, many consumers have said that they have a deeper understanding of rational drinking, and will actively practice this concept and jointly create a healthy drinking environment.



▶ Rational drinking publicity materials are put up in Qingdao Beer Museum, bars and other places to introduce rational drinking knowledge to consumers



▶ Weinan Company, Jieyang Company and other regional units actively carried out rational drinking publicity activities



(Selected) Honors of Tsingtao Brewery 2024



The **Second Prize of the National Science and Technology Progress Award** for the Fourth Time



Tsingtao Brewery Named the world's first **"Sustainable Lighthouse Factory"** in the food and beverage industry



Selected as a **Digital Transformation Pilot Enterprise** of SASAC



2024 ESG Vanguard 100 Index of Listed State-owned Enterprises of State-owned Assets Supervision and Administration Commission of the State Council



23 factories selected as **National Green Factory** by the Ministry of Industry and Information Technology



Included into the **"2024 List of Key Water Enterprises and Park Water Efficiency Leaders"** by the Ministry of Industry and Information Technology



Included into the **"2024 Typical Case List of Industrial Wastewater Recycling"** by the Ministry of Industry and Information Technology



"Key Technology of Pollution Reduction and Carbon Reduction and Resource Utilization of High Concentration Beer Wastewater and Municipal Sewage through Collaborative Treatment" listed in the Catalog of Green Technology Promotion (2024) by the National Development and Reform Commission



Included into the China National Light Industry Council **"2024 Typical Case List of Light Industry Green Low-carbon Transformation"**



Mazhilian Data Management and another two management innovation achievements won the **First Prize of Management Innovation** by the China Light Industry Enterprise Management Association



ESG Vanguard 100 Index of Listed State-owned Enterprises



Included as an **excellent case** into the Blue Book of Social Responsibility of State-owned Enterprises (2024)



ESG Vanguard 100 Listed State-owned Enterprises of China



Selected as an **2024 ESG Excellent Practice Case**



Rated as **2024 Most Influential Employer**



Honored with **First Prize of Science and Technology Progress Award of Shandong Province**



Honored with **First Prize of the Science and Technology Progress Award** of the Shandong Light Industry Council



Honored as **2023 Shandong Social Responsibility Enterprise**



Awarded the **Honorary Title of Green Supply Chain in Shandong Province**



Rated as **Global Brand Power Champion in the Beer Industry by Brand Finance**

Third-party Evaluation

Evaluation of the Report

In the context of global economic recovery under pressure and continuous differentiation of the consumer market in 2024, Tsingtao Brewery Co., LTD. (hereinafter referred to as “Tsingtao Brewery”), systematically disclosed the Company’s achievements in product innovation, intelligent manufacturing, green and low-carbon transformation, employee rights and interests protection and public welfare practices with “integrity and innovation” as the core, fully reflecting its in-depth integration and strategic attention of sustainable development goals.

As can be seen from the “Tsingtao Brewery 2024 Environmental, Social and Governance Report”, Tsingtao Brewery adheres to technological innovation as the engine to accelerate “high-end, intelligent and green” transformation. Upholding the mission of “Creating Happiness for Life” and the quality concept of “Building Charm-perceived Quality”, Tsingtao Brewery has continuously met consumers’ needs for high-end, diversified, personalized and scenario-based products, leading the industry quality upgrade.

In terms of environmental responsibility, Tsingtao Brewery takes the “dual-carbon” goal as the lead, achieving a reduction of 7.2% in the total greenhouse gas emissions (Scope 1+2+3) compared with 2023, and building a total of 23 National Green Factories and ranking first in the beer industry. And 32 factories have used 100% renewable energy. The unit product water consumption and comprehensive energy consumption of beer production have continued to decline. The full value chain carbon inventory has covered more than 30 factories and products, fully demonstrating the industry’s benchmarking carbon reduction leadership.

In terms of social responsibility, the Company has upheld the talent idea of “Giving the Stage to the Endeavors and Applauding the Achievers”, delivering an employee training coverage rate of 100%, completing 210,000 digital skills certifications, and building a comprehensive employee care system through the “Tsingtao Brewery Care Fund” and other measures. In the field of public welfare, the Company has continued to empower rural revitalization, education and ecological protection, demonstrating the responsibility of a state-owned enterprise.

By building a three-level ESG governance structure of “decision level, supervision level and executive level”, Tsingtao Brewery has deeply integrated sustainable development into strategic decision-making and day-to-day operations, and systematically sorted out 29 material issues, providing highly transparent information disclosure for stakeholders.

Suggestions for the Report

Strengthening the empowerment of technology to the establishment of a low-carbon whole industrial chain: In 2024, the Company achieved certain results in carbon reduction and other fields, but there is still room for improvement in the low-carbon work of the upstream of the supply chain, such as raw material planting and packaging materials. The Company is advised to rely on its own scientific research platform, jointly develop bio-based degradable bottle caps, lightweight recycled glass bottles and so on with relevant institutions and suppliers. Meanwhile, cooperation with farmers can be unfolded to expand the scale of local hops and barley cultivation, build an agricultural carbon sink ecosystem, and promote the zero-carbon transformation of brewing processes and supply chains.

Deepening the integration of traditional culture and brand IP innovation: As a national brand with a history of 121 years, Tsingtao Brewery is advised to further explore the combination of beer culture and traditional culture and regional characteristics, transform the brand history into the differentiated competitiveness of the consumption scene through joint intangible cultural heritage IP, creating cultural limited products, and enriching the “beer + cultural travel” experience workshop, so as to support cultural confidence and international communication.



Accelerating digital transformation and intelligent upgrading: It is advised to build a more complete digital supply chain management system to realize the digital monitoring and management of the whole process from raw material procurement, manufacturing to sales terminals, and improve the efficiency and transparency of the supply chain. Investment in intelligent equipment can be increased to realize the automation and intelligent control of the production process, and improve the production efficiency and product quality stability.

Expanding the “industry +” model of rural revitalization: On the basis of consumption assistance, it is proposed to cooperate with relevant institutions to provide technical training for cultivation of brewing raw materials in the assisted areas, create a “Tsingtao Brewery Custom Farm”, form an industrial closed loop of “raw material localization + product characteristics”, and realize the upgrade from “blood transfusion” to “blood generation”.

As a leading enterprise in the beer industry, Tsingtao Brewery has demonstrated its outstanding responsibility and strength in the 2024 Social Responsibility Report, setting a benchmark for the industry. In the future, Tsingtao Brewery should continue to strengthen innovation drive, intensify international cooperation and exchanges, and enhance the global visibility and influence of the brand in the journey of growing into a world-class enterprise. Meanwhile, Tsingtao Brewery should actively fulfill its social responsibility, give play to the leading role of a leading enterprise, and push the beer industry to a new height.



Beer Branch of China Alcoholic Drinks Industry Association

Index of ESG Indicators

Scope, dimensions, general disclosure and key performance indicators		Location in the Report
<p>The Statement issued by the Board of Directors contains the following:</p> <ul style="list-style-type: none"> (i) Disclosure of the oversight of environmental, social and governance matters by the Board of Directors; (ii) The environmental, social and governance management policy and strategy of the Board of Directors, including the process for assessing, prioritizing and managing significant environmental, social and governance-related issues, including risks to the issuer's business; and (iii) How the Board of Directors reviews progress against environmental, social and governance related objectives and explains how they relate to the issuer's business. 		P9-P11
Description or explanation of how the following reporting principles (materiality, quantification, consistency) are applied in the preparation of the Environmental, Social and Governance Report.		Inside Front Cover
Explanation of the scope of the Environmental, Social and Governance Report and description of the process for selecting which entities or operations to include in the Environmental, Social and Governance Report. If there is a change in the scope of reporting, the issuer should explain the difference and the reasons for the change.		Inside Back Cover
General Disclosure	<p>Relating to emissions, discharge into water and land, generation of hazardous and non-hazardous wastes, etc.:</p> <ul style="list-style-type: none"> (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer. 	P33-P50
A1.1	The types of emissions and respective emissions data.	P40/P44-P50
A1.3	Total amount of hazardous waste generated (in tonnes) and, if applicable, density (e.g., per production unit, per facility).	P50
A1.4	Total amount of non-hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility).	P50
A1.5	Description of the emission target(s) set and the steps taken to achieve them.	P34/P40-P50
A1.6	Description of methods of handling hazardous and non-hazardous waste, and description of the waste reduction target(s) set and the steps taken to achieve them.	P50/P37
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	P42/P46
A2.1	Total direct and/or indirect energy (e.g., electricity, gas, or oil) consumption (in 1,000 kWh) and intensity (e.g., per production unit, per facility) by type.	P47
A2.2	Total water consumption and density (e.g., per production unit, per facility).	P43
A2.3	Description of the energy use efficiency target(s) set and the steps taken to achieve them.	P37/P46-P47
A2.4	Description of any problems that may arise in obtaining applicable water sources, as well as the water efficiency targets set and the steps taken to achieve them.	P37/P42-P43
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P48
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P30-P53
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P30-P53



Scope, dimensions, general disclosure and key performance indicators		Location in the Report
General Disclosure	Relating to pay and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other benefits and welfare programs: (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer.	P58-P60
B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	P58-P59
B1.2	Employee turnover ratio by gender, age group and region.	P59
General Disclosure	Relating to the provision of a safe working environment and the protection of employees from occupational hazards: (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer.	P56-P57
B2.1	The number and rate of work-related deaths in each of the past three years (including the reporting year).	–
B2.2	Days lost due to work injury.	P56
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P56-P57
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P62-P68
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P66
B3.2	The average training hours completed per employee by gender and employee category.	P66
General Disclosure	Relating to the prevention of child or forced labour: (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer.	P58
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P58
B4.2	Description of steps taken to eliminate such practices when discovered.	P58
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P74-P75
B5.1	Number of suppliers by geographical region.	P74
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P74-P75
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P74-P78
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P75-P77
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters and remedies for the products and services provided: (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer.	P14-P21

Scope, dimensions, general disclosure and key performance indicators		Location in the Report
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P16
B6.2	Number of products and service related complaints received and how they are dealt with.	P20-P21
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P8
B6.4	Description of quality assurance process and recall procedures.	P14-P19
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P20-P21
General Disclosure	Relating to the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Compliance with relevant laws and regulations which have a material impact on the issuer.	P8
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P8
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P8
B7.3	Description of anti-corruption training provided to directors and staff.	P8
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P22-P29/ P79-P84
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P22-P29/ P79-P84
B8.2	Resources contributed (e.g. money or time) to the focus area.	P22-P29/ P79-P84
D Climate-related Disclosure		
Governance	(a) Information on governance bodies (which may include the Board of Directors, committees or other equivalent governance bodies) or individuals responsible for monitoring climate-related risks and opportunities. (b) The role of management in the governance processes, controls and procedures used to monitor, manage and supervise climate-related risks and their basis.	P33
Strategy	Climate-related risks and opportunities Business model and value chain Strategy and Decision-making Financial position, financial performance and cash flow Climate resilience	P34-P36



Scope, dimensions, general disclosure and key performance indicators		Location in the Report
Risk Management	<ul style="list-style-type: none"> (a) The processes and policies used by the issuer to identify, assess and prioritize climate-related risks and opportunities and maintain monitoring thereof; (b) The processes used by the issuer to identify, assess, prioritize and maintain monitoring of climate-related risks and opportunities (including information available to the issuer and how climate-related scenario analysis can be used to identify climate-related opportunities); and (c) How and to what extent the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management processes. 	P34-P36
Indicators and targets	<ul style="list-style-type: none"> Greenhouse gas emissions Climate-related transition risks Climate-related physical risks Climate-related opportunities Capital utilization Internal carbon price Remuneration Industry indicators Climate-related targets Applicability of cross-industry indicators and industry indicators 	P37

Your Feedback

Dear Reader,

Thank you very much for taking time to read the 2024 Environmental, Social and Governance Report of Tsingtao Brewery Co., Ltd. If you have any comments or suggestions for this Report, please fill out the Feedback Form below and return it to us by post, fax or email. We would be much obliged for your valuable comments!

Name:

Work Unit:

Contact No.:

Email:

Which sections do you think provide you with important information?

- 1 "Preface" Section

2 "Compliance and Sound Operation" Section

3 "Product Quality" Section

4 "Environmental Protection" Section

5 "Employees" Section

6 "Value Chain" Section

7 "Third-party Evaluation" Section

How do you think of this Report?

	Good	Average	Poor
Readability			
Pertinence			
Layout Design			
Overall Impression			

What are your suggestions for our Report next year?

Please contact us:

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

Tel: 0532-85785641