



2021 CORPORATE SOCIAL RESPONSIBILITY REPORT



Angel Yeast Co.,
Ltd was founded in
1986 and listed on
the Shanghai
Stock Exchange
in 2000.



After years of steady development and continuous expansion of business scale, yeast and deep-processed products have been widely used in a large number of fields such as



Yeast & baking



Yeast extract-savoury



Plant nutrition



Distilled spirits & Biofuels



Human Health



Animal nutrition



fermentation nutrients



Enzymes

In 2021, the brand value of "Angel"
was reached to RMB **14.662** billion,
an increase of RMB **3.1** billion over the previous year,
ranking **72** nd in the overall list.

BRAND VALUE.

ISSUED BY XINHUA NEWS AGENCY AND CHINA BRAND BUILDING PROMOTION ASSOCIATION
《2021 CHINA BRAND VALUE EVALUATION INFORMATION LIST》

Based on the yeast-centric diversification strategy,
Angel Group focuses on five industries:





MISSION

Develop yeast biotechnology,
Innovate for healthy life

R&D CONCEPT

Natural, Nutritious,
Healthy, Delicious

SPIRIT

Pursue Excellence,
Innovation,
Keep Improving

We respond to the United Nations Sustainable Development Goals in 5 areas:



**Hunger
Eradication**



**Health
Well-being**



**Clean
Energy**



**Climate
Action**



**Industrial
Innovation**

Promote technological innovation and continue to contribute to the realization of the goal of eradicating hunger worldwide

2 ZERO HUNGER



- ▶ The world's second-largest manufacturer of yeast and food raw materials, and aim to benefit the global fermented wheaten food industry, improve nutrition and taste, and reduce food waste.
- ▶ Serve the global brewing industry, improve grain utilization, optimize flavor, improve quality, and create economic benefits.
- ▶ Innovate yeast protein technology and nutritional technology to serve human nutrition.
- ▶ Provide yeast-derived biological feed for animal field to alleviate the shortage of feed raw materials and the problem of "human and livestock competing for food".
- ▶ One of the largest organic yeast fertilizer manufacturers, for which the yeast fermentation liquid can be made into organic fertilizer, turning waste into treasure, replacing chemical fertilizers, and promoting sustainable development of agriculture.

- ▶ Committed to health promotion, such as replacing old dough and aluminum-free bulking agents with yeast, promoting healthy food such as rice cakes and aluminum-free fried dough sticks, and changing traditional food processing habits.
- ▶ Promote yeast-derived products and ingredients for comprehensive health to improve human health.
- ▶ Promote "three reduction" (salt reduction, sugar reduction, and edible oil reduction) of foods by YE (yeast extracts), improve food flavor, possess clean labels, and guarantee natural food safety.
- ▶ Provide new "efficient, safe, clean and stable" organic nitrogen sources and solutions for the biological fermentation industry, replace animal and vegetable peptones, and solve the safety problem of raw materials.
- ▶ Reduce the use of antibiotics, provide healthy farming, and improve human health and well-being.



Focus on human and natural health



- ▶ Yeast can be used to produce fuel ethanol, and can promote ethanol fermentation for energy conservation and consumption reduction.
- ▶ Develop dry yeast production technology for cellulosic ethanol to convert biomass into clean energy.
- ▶ Yeast is now produced with clean energy instead of traditional fossil energy, and biogas are recycled to reduce coal used in boilers.



Utilization of clean energy



Steady progress in climate action



- ▶ Establish targets and realization paths for carbon peak and carbon neutralization, aim at the "carbon peak and carbon neutral" target, and take the lead in creating a number of yeast green factories in the industry.
- ▶ Continue to transform and upgrade production technologies for energy saving and carbon reduction.
- ▶ Develop an environmental protection system.

- ▶ Promote Yeast Industry 2025, deeply integrate informatization and industrialization, and strive for smart manufacturing.

- ▶ Push forward the innovation of upstream and downstream industries of yeast production, promote the technological progress in the sugar industry, food processing industry, fermentation industry and brewing industry with higher efficiency, and promote the green development, transformation and upgrading of the industry.

7 AFFORDABLE AND
CLEAN ENERGY



Promote industrial innovation with smart manufacturing

2021 OUR ACTIONS



We are the world's largest supplier of dry yeast and yeast extracts, accounting for 15% of the global yeast market.

No.1

15%

We own 12 yeast and derivative production bases, including two overseas plants.

12

We have established 11 application technology service centers globally to implement training and services for users.

11

Our headquarters has established an international business center, six overseas business departments, and regional headquarters in Egypt, Russia, Singapore, Mexico, America and Germany.

6

2021

We are committed to building a yeast brand with global influence and providing consumers with quality products and services.

**20.3%**

Our 2021 internationalization index reached 20.3%.



Since 2021, Angel held over 30 overseas cloud presentations and attracted thousands of users from almost a hundred different countries.

**163****14**

In 2021, we have exported products to 163 countries and regions, increased by 14 countries compared with the year before.

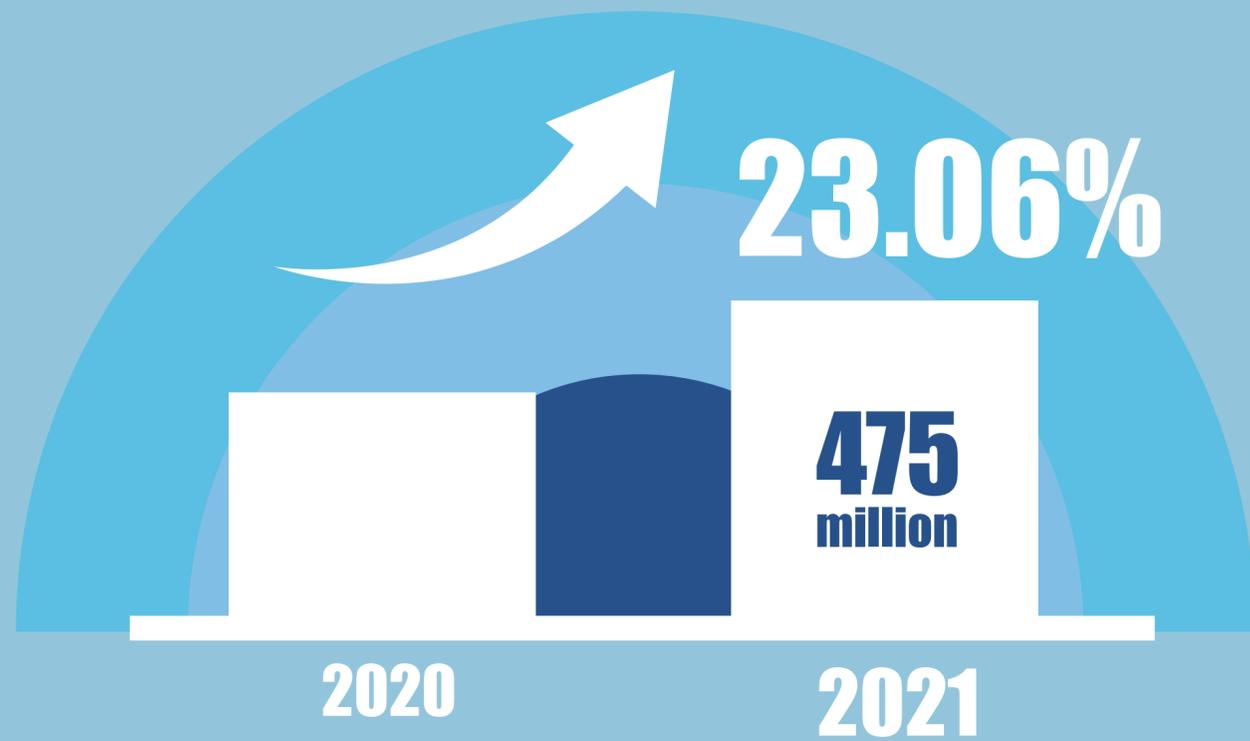
8.78**8.69****8.88**

In 2021, Angel's global customer fit scoring was 8.78 points. Wherein, customer satisfaction score is 8.69 points and customer loyalty degree is 8.88 points.

2021

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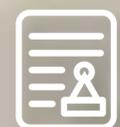
We utilize technological innovation to promote food safety, nutrition and health and are devoted to becoming the pioneer in the field of healthy life for human beings.



In 2021, Angel invested RMB 475 million in R&D, increased by 23.06% compared to the previous year.

Angel Research Institute established nine major technical centers ▶

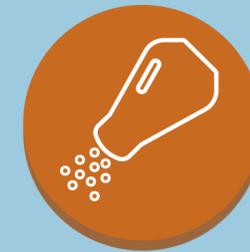
 157

 25

 17



Yeast and Strain Resources Technical Center



Protein Nutrition and Food Flavoring Technical Center



Baking and Food Innovation Technical Center



Environmental Protection Technical Center



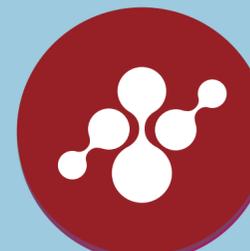
Industrial Microbial and Brewing Technical Center



Agricultural Biotechnology Technical Center



Industrial Innovation Technical Center



Biocatalysis and Enzyme Technical Center



Nutrition & Health Technical Center

In 2021, we developed and launched 157 new products, put 25 types of health food on record and launched 17 types of health food.

WE COOPERATE WITH EXCELLENT PARTNERS TO ACHIEVE A WIN-WIN SITUATION



We are constantly improving our supplier management system to create a bidding environment of equal opportunities, ensure fair competition and establish a healthy and long-term cooperative partnership.



RAW MATERIAL PROCUREMENT

1,658

Projects

37%

1.071

Billion

56%

In **2021**, Angel adopts pricing methods such as strategic cooperation, bidding, inquiry and price comparison for raw material procurement. Among them, there are **1,658** competitive pricing projects, accounting for **37%** of all procurement projects, and the procurement amount completed is RMB **1.071** billion, accounting for **56%** of all procurement amount.



EQUIPMENT PROCUREMENT

8773

Projects

71%

1.952

Billion

94%

In **2021**, Angel adopts pricing methods such as bidding, inquiry and price comparison, and competitive negotiation for engineering equipment procurement. Among them, there are a total of **8,773** competitive procurement pricing projects, accounting for **71%** of all procurement projects, and the procurement amount completed is RMB **1.952** billion, accounting for **94%** of all procurement amount.

WE COOPERATE WITH EXCELLENT PARTNERS TO ACHIEVE A WIN-WIN SITUATION



We are persistently seeking outstanding scientific research partners to jointly promote the technological innovation of the industry.

- ▶ We have inked a strategic cooperation agreement with the **China National Research Institute of Food & Fermentation Industries**. The two parties will carry out in-depth collaboration centering on the construction of culture resource library, the laws, regulations and standards for food safety, the development of protein peptide and the training for baking skills of the Belt and Road Initiative to complement each other's advantages and together accelerate the modernization of China's food industries.
- ▶ We have reached the intent of technical and strategic cooperation with the **COFCO Corporation, the SDIC Biotech Investment Co., Ltd., the Chinese Academy of Sciences system**, Jiangnan University, the Huazhong Agricultural University and other institutions to carry out continuous cooperation in research fields like microbial strains, umami platform construction, YE application technology, mycoprotein, biosynthesis, etc.

**WE EMPHASIZE ECOLOGICAL
PROTECTION AND
CONTINUE PRACTICING
LOW-CARBON PRODUCTION AND
EMISSION REDUCTION TO PRO-
TECT OUR HOMELAND**



In 2021, our annual operating cost for environmental protection reached RMB 513 million.



The cost for the environmental treatment of yeast per ton has dropped by 5.52%. The unit consumption of water, power and gas has respectively decreased by 3.1%, 1.4% and 2.5%. The biogas residue reduction has achieved notable results, with the generation reduced by 9.75%. The cost of comprehensive wastewater treatment has been reduced by 4.12%.



In 2021, we implemented and completed 28 technical innovation projects of energy conservation and emission reduction, realizing 19,700 tons of CO₂ emission reduction and RMB 16.89 million m³ of biogas recovery. We utilized 88,000 tons of steam for self-production, equal to 27,000 tons of CO₂ emission reduction.



We take multiple measures to assure safe production and protect our employees' life and property safety to the most

Conduct actions

We continuously implemented essential safety enhancement actions, completed **64** safety improvement tasks and added **11** new technical standards for equipment safety.

Training drill

In the last year, we implemented **536** safety training, covering **33,446** person-times; implemented **445** emergency drills, involving **14,035** people.

Special rectification

At a solid pace, we promoted the three-year action of special rectification for safe production and have completed eight difficult tasks.

We highly value our relationship with investors and are constantly increasing the level of information disclosure

In 2021, Angel convened one on-site annual general meeting, five temporary general meetings and one online investor presentation, conducted one event for the online group reception day for investors, participated in 83 teleconferences of investor communication and received 13 times of field research.

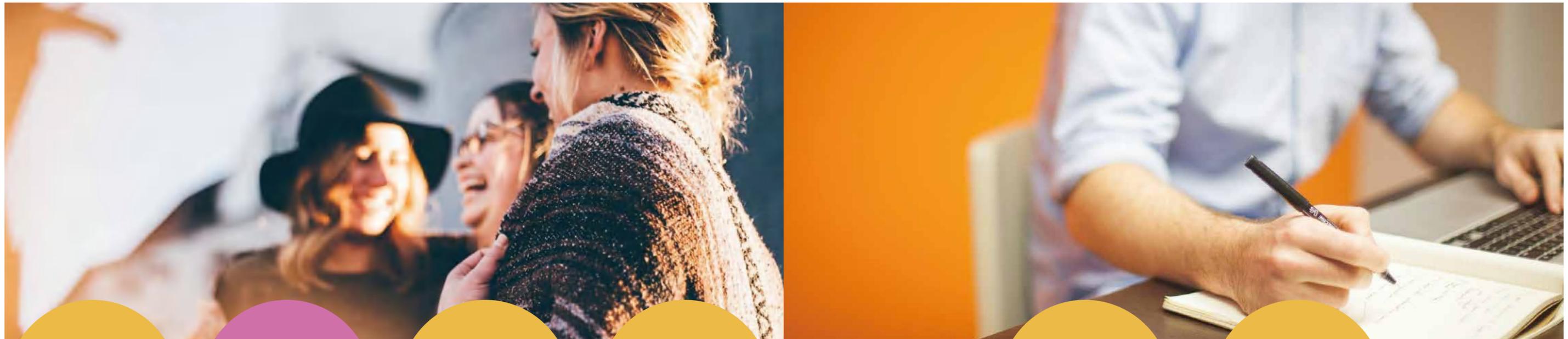
We highly value our relationship with investors and are constantly increasing the level of information disclosure

In 2021, Angel was evaluated Class-A in the 2020 annual information disclosure work assessment for listed companies by the Shanghai Stock Exchange. This is the 6th time in a row that Angel acquired this honor in the field of information disclosure.

Angel observed the principle of returning to shareholders and formulated corresponding rational profit distribution policies to offer juicy returns to its shareholders. Since the listing in 2000, we would give out cash bonus every year which would account for 33.05% of the net profit of the same period. Cumulatively, We have given out RMB 2.204 billion of cash bonus, which is greater than Angel's amount of financing in the capital market.



We are committed to providing employees with a diverse and inclusive development platform



11,074
employees

28%
female

5%
female senior executives

70%
below the age 40

200
key positions

400
reserve talent

In 2021, Angel had 11,074 employees in total, including 28.2% of female employees and 5% female senior executives, fully exerting the roles of females in company development. Over 70% of Angel's employees are below the age 40, providing sufficient reserve forces.

We have implemented four rounds of reserve talent development plans for key positions and have elected over 400 reserve talent for over 200 key positions, realizing the comprehensive coverage of talent reserves for key positions.

We are committed to providing employees with a diverse and inclusive development platform



4.5
million

178,18
person-times

11%
↗

We implemented a reward mechanism for major scientific and technological innovations and cashed in the rewards for major new products in 2018-2020, with a total amount of over RMB 4.5 million.

In 2021, the Group implemented 3,257 required courses, livestreaming training and exams through network platforms, covering 178,186 person-times of employees.

In 2021, our employees' annual per-capital income has increased 11% compared with that of the year before.



WE PARTICIPATE IN SOCIAL AND PUBLIC WELFARE UNDERTAKINGS, UNDERTAKE SOCIAL RESPONSIBILITIES AND ACT AS AN EXCELLENT CORPORATE CITIZEN.

We implemented tibet assistance by establishing Tibet Angel Biotechnology Co., Ltd. and investing in the construction of probiotics intelligent project with our technical advantages to promote the industrialization and development of local agriculture in Tibet through technological means.

We participate in social and public welfare undertakings, undertake social responsibilities and act as an excellent corporate citizen



We donated RMB 1 million of cash to Henan Province via the Yichang Charity Federation to assist the disaster relief of the extreme flood disasters in Henan and voluntarily replaced the damaged goods for our affected customers in Henan.



OUR PROSPECT

In 2022, Angel will continue adhering to its tenet of "developing biotechnologies and innovating health life" and integrate the idea of responsibility of creating a win-win situation for its stakeholders (shareholders, creditors, customers, suppliers, employees, environment, society, etc.) into its production and operation, provide healthy and quality products and services as always to create greater values for its customers, shoulder social responsibilities and get engaged in public welfare undertakings to repay the society with a grateful heart.



2022

Corporate Social Responsibility Report 2021

<https://en.angelyeast.com/>

