



**萬洲國際**  
**WH GROUP**

**萬洲國際有限公司**  
**WH GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
Stock code: 288



**2021**

**Environmental, Social and  
Governance Report**

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# MESSAGE FROM OUR CHAIRMAN

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**Wan Long**

Chairman

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Dear Readers,

Thank you for your interest in the 2021 Environmental, Social and Governance Report of WH Group Limited.

“Advancing corporate sustainability has been our steadfast pursuit. In 2021, WH Group continued to enhance sustainability management by setting ESG targets and incorporating them into our business strategies and operating activities.”

## MESSAGE FROM OUR CHAIRMAN (continued)

We set the overall target of reducing our carbon emission intensity by 30% by 2030 compared to a 2017 baseline, as well as the targets for energy consumption, water conservation and waste disposal for our subsidiaries. We have formulated *WH Group Corporate Principles* for the whole Group to clearly guide and underscore how we conduct ourselves. WH Group also took positive steps in strengthening the diversity and independence of the board (the “Board”) of directors (the “Director(s)”) of the Company and continued to uphold high standards of corporate ethics and compliance.

Climate change and its impacts have become one of the most urgent issues of global concern. WH Group has always paid great attention to the environmental impact of its business operations and is committed to environmental governance by taking targeted improvement actions for relevant major issues. We continued to generate clean energy from biogas, wind and solar energy and promote biomass energy utilization, increase the share of renewable sources in our own energy mix, and feed our surplus renewable electricity to the grid to effectively reduce greenhouse gas emissions. In addition, WH Group actively adopted measures to reduce packaging consumption and promoted the scope of green packaging that is recyclable, reusable or industrially compostable.

Strict management of food safety and quality is the foundation of the growth and development of WH Group, on which we never compromise. We have made commitments regarding the safety and nutrition as well as R&D and innovation of our products and set targets for our quality management and food safety. We continually explore innovative products and nutrition solutions that meet the needs of the times and provide consumers with products that combine “meat, eggs, milk, vegetables and grains.” We have a rigorous supplier management system that simultaneously ensures the safety and quality of supplies, and strengthens supplier engagement in ESG issues to jointly promote the sustainable development of the supply chain.

WH Group regards employees as an important driving force for its sustainable development. We uphold a “people-oriented” philosophy and provide employees with a safe, equal, respectful, diverse and inclusive workplace. In 2021, with the COVID-19 situation remaining challenging, we maintained comprehensive protective measures to ensure the safety and health of our employees while arranging our production to meet consumers’ demands with consistently high-quality products.

WH Group has actively involved itself in community development and hunger relief by donating nutritional food to children and disadvantaged groups. In the event of natural disasters and social concerns, we have always contributed to help affected communities overcome difficulties.

Looking back at 2021, WH Group achieved impressive progress and development with support from all sectors of society and our partners, recognition from consumers, and the dedication of our employees. Looking forward, we remain committed to our social responsibility by addressing the concerns of stakeholders and act diligently and open-mindedly for a more sustainable future as we continue to integrate our global resources and unleash synergies.



# ABOUT THIS REPORT

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## Overview

This report is the annual Environmental, Social and Governance (ESG) report published by WH Group Limited (hereinafter referred to as the “Company” or “WH Group”). The Company has reported on ESG issues annually since 2016. This report details the Company and its subsidiaries’ (hereinafter referred to as the “Group” or “We”) management measures and performance concerning ESG issues from January 1, 2021 to December 31, 2021 (hereinafter referred to as the “Reporting Period”).

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## Definition of Names

Shuanghui	Refers to Henan Shuanghui Investment & Development Co., Ltd.	Subsidiaries of WH Group	Refers to WH Group and its subsidiaries
Smithfield	Refers to Smithfield Foods, Inc.	Subsidiaries of Shuanghui	Refers to subsidiaries of Henan Shuanghui Investment & Development Co., Ltd.

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## Basis of Preparation

This report is prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (“HKEX”). Appropriate references are made to the MSCI ESG ratings, Hang Seng Corporate Sustainability Index Series and Research Evaluation Survey, Dow Jones Sustainability Index Questionnaire, and the Institutional Shareholder Services (ISS) ESG ratings. In addition, subsidiaries of the Company Shuanghui and Smithfield also published their Environmental, Social and Governance Report and Sustainability Impact Report, respectively. The information mentioned in the reports can be regarded as supplemental to this report.

The report follows the principles of Materiality, Quantitative, and Consistency in the ESG Reporting Guide. The related processes include identification of significant stakeholders, identification and classification of material ESG-related issues, determination of the ESG reporting boundary, collection of relevant materials and data, preparation of the report based on data, and review of the data in the report.

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## Report Scope and Boundary

The scope and boundary of this report is consistent with that in the 2021 annual report of WH Group. This report covers the Company and its subsidiaries including MECOM GROUP s.r.o., Schneider Food s.r.o. and Kaiser Food Kft. (collectively referred to as “Mecom Group”) and Granjas Carroll de Mexico S.de R.L. de C.V. (referred to as “GCM Group”) acquired during the Reporting Period, while the environmental and social quantitative data of the two newly acquired companies have not been reflected in this report, which will be disclosed and analyzed in future reports.

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### Report Data

Unless otherwise indicated, all financial data in this report is in US\$ and based on the RMB central parity rate against the US\$ on December 31, 2021 at 6.3757. In addition, unless otherwise indicated, production data in metric tons only refers to packaged meats, pork and poultry meat, and does not include hogs produced.



### Data Reliability Assurance

The data sources used in this report include publicly available government data sources, relevant statistical reports of WH Group, stakeholder communication materials, administrative documents and reports, third-party evaluations and interviews, etc. The data calculations are marked in the corresponding chapters with the calculation method.

The Board of Directors of the Company confirms that the contents of this report contain no false records, misleading statements, or material omissions. The Board assumes responsibility for the truthfulness, accuracy, and completeness of the contents of this report.



### Report Confirmation and Approval

This report was approved by the Board of Directors on May 27, 2022, following confirmation by management.

If you have any questions about the report content, please contact us at:

WH Group Limited

Address: Unit 7602B-7604A, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

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E-mail: ESGTeam@wh-group.com

# ABOUT WH GROUP

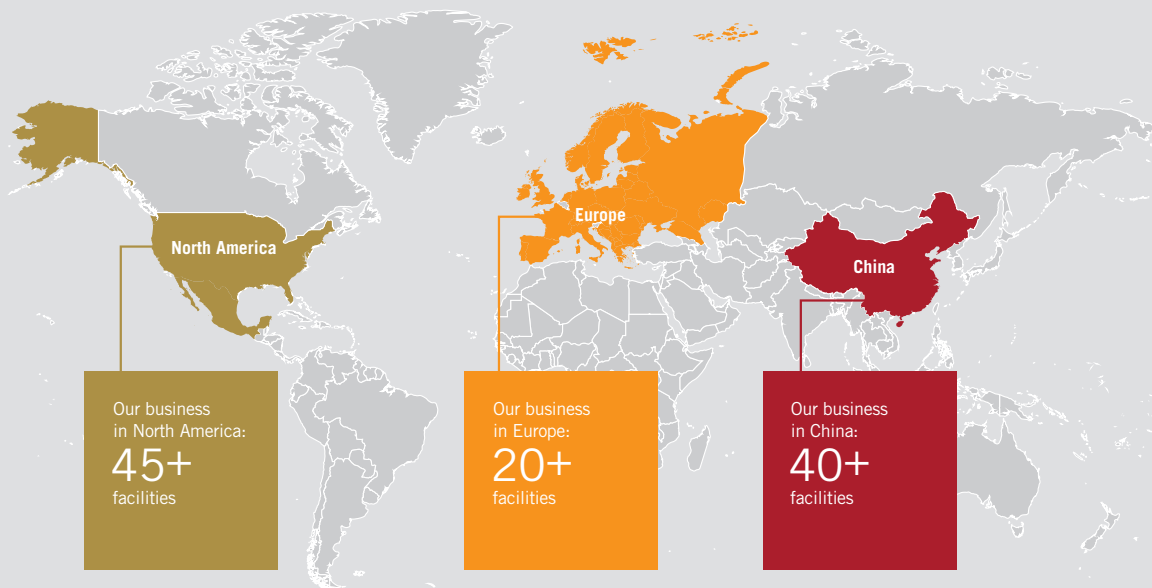
## Company Overview

WH Group is the world's largest pork company, with leading positions in China, the United States, and key markets in Europe. Our global platform integrates consolidated pork business chain including hog production, hog slaughtering and processing, packaged meats, as well as distribution of packaged meats and fresh pork, with a leading position in the pork industry. WH Group has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since August 5, 2014 under the stock code 0288.HK and was formally included in the Hang Seng Index as a constituent on September 4, 2017. WH Group ranked 474th on the "Fortune Global 500" list in 2021.

WH Group owns subsidiary companies of Shuanghui, Asia's largest meat processing company, and Smithfield, the largest producer of packaged meat products in the U.S.. With our globally renowned brands, WH Group has a rich portfolio of products and a sizable market network. The Company also has built unrivalled advantage thanks to a globally integrated platform that enables resource allocation across regions with efficiency and synergy; at the same time, we pay close attention to the quality, safety, and nutritional health of food, striving to provide high-quality products and services to consumers. In 2021, with support from various sectors and efforts of our employees, the Company recorded steady growth in both revenue and profit.

## Business Segments

The Company's principal business covers packaged meats, pork, and hog production, with packaged meats being the core segment. The Company is also engaged in other supporting business activities, including the harvest and sale of poultry, the manufacturing and sale of packaging materials, provision of logistics services, operation of retail chains, production of seasonings and natural sausage casings, and biopharmaceuticals.



WH Group pursues global development by allocating assets and integrating resources around the world and has held a leading position in the global pork industry. As of the end of 2021, WH Group has established more than 100 meat production and processing facilities in regions including China, the United States, and Europe. Together with tens of thousands of partners such as suppliers and distributors around the world, the Group is building a "farm-to-fork" service chain that reaches consumers and households directly.





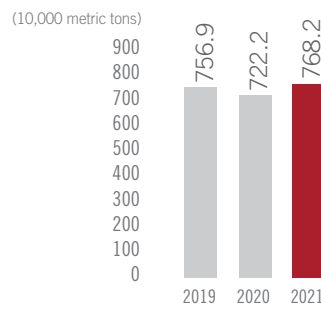
With packaged meats as the Group's core segment, the subsidiaries of WH Group own many well-known packaged meat brands in China, the U.S. and Europe as follows:



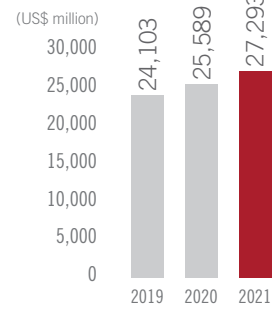
### Business Performance

During the Reporting Period, WH Group continued to utilize the significant advantages created by its resource complementarity and regional coordination across its global supply chain and achieved stable growth in operating revenue and profit.

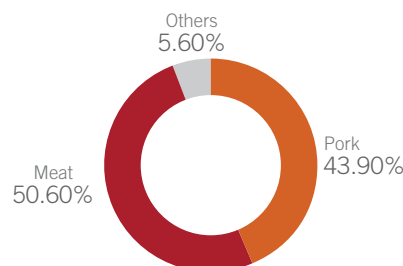
#### Packaged Meats + Pork Sales



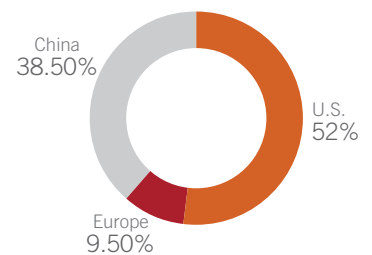
#### Revenue



#### 2021 Revenue by Segment



#### 2021 Revenue by Region





# ESG MANAGEMENT

WH Group is committed to providing the general public with affordable protein choices that are essential to people's quality living. Driven by consumer recognition and patronage, we continue to research and produce new products that capture their evolving needs, contributing to the wellbeing of people's sustainable living.

Our business activities and success are augmented by the trust and support of stakeholders, including suppliers, partners, employees, regulators, and investors. Their valuable suggestions and feedback not only help us better identify potential risks but also consolidate our faith in constructive engagement.

## ESG Value

WH Group embraces the highest standards of sustainability by taking into full account the concerns of stakeholders and society in our decision-making process, especially risk management and internal controls, while advancing and implementing strategic development. We have established and adhered to our ESG framework that has five aspects, namely products, supply chain, environment, employees, and community.

## ESG Vision of WH Group



### Focusing on High-Quality Products

We are committed to providing consumers with high-quality and reliable products. Our operations in China, the United States, and Europe are subject to a comprehensive quality control system covering all stages from feed production to hog production, processing, transportation, and delivery.



### Caring for Our Employees

We put people first, respect and protect employee rights, support diversity, encourage employees to grow in their careers and enable them to grow with the Company.



### Supply Chain Management

We follow sustainability principles, develop sustainable agriculture, emphasize animal welfare, urge our supply chain partners to perform sustainability responsibilities together, and continually promote supply chain sustainability.



### Caring for the Community

We are actively involved in corporate philanthropy by giving back to the industry and supporting community development. We support education, help end global hunger and poverty, and donate to local COVID-19 responses to overcome difficulties together.



### Focusing on the Environment

We emphasize carbon reduction by actively working to reduce and manage carbon emissions, continually optimizing use of resources.



## Corporate Principles

In order to explore effective paths for sustainable development with our stakeholders, fulfill our corporate social responsibilities, and create positive social impacts, we have aligned our ESG framework with the United Nations Sustainable Development Goals. During the Reporting Period, we produced the *WH Group Corporate Principles (the "Principles")*, which outlines eight areas: climate change and the environment; food safety and nutrition; labour standards and employee rights; work environment and safety; animal welfare and care; sustainable supply chain; business integrity; and the use of the principles. The Principles will guide our conduct and integrate sustainable development concepts into our daily management and operations.

### WH Group Corporate Principles



#### Climate Change and Environment

WH Group supports the Paris Agreement's initiatives and goals of combating global climate change, actively manages and reduces carbon emissions from its business activities, and sets the Group's net-zero carbon targets.

- Environmental management system
- Climate change
- Biodiversity and resources management
- Energy and emissions management



#### Animal Welfare and Care

WH Group regards animal welfare as the entry point for the Group to lead the sustainable development of the industry and makes animal care in the feeding and processing processes a basic requirement of conduct. We actively look for ways to make a positive impact on the formation of an animal welfare standard in the industry.

- Animal welfare principles
- Responsible use of antibiotics
- Implementation and review



#### Labour Standards and Employee Rights

We uphold mutual respect, diligence, and continual improvement in work, foster a diversified and inclusive corporate culture, provide a safe and healthy working environment, and build a fair and efficient human resources system. Guided by the principles of the United Nations Sustainable Development Goals and the United Nations Global Compact, we respect and protect individual rights within our operations and across our value chain.

- Employee rights and development
- A culture of mutual respect
- Labour standards



#### Business Integrity

WH Group has trustworthiness and good faith as core values with an unwavering commitment to ethical business conduct, transparency, and accountability. And we appropriately respond to diversified concerns of stakeholders.

- Ethics and compliance
- Anti-corruption and anti-bribery
- Whistleblowers mechanism

## ESG MANAGEMENT (continued)



### Food Safety and Nutrition

With rising concerns and expectations on food safety, quality, and nutrition, we apply rigorous management and continual investment in all operating and production activities. We have also developed effective high-standard management practices to reflect the key food safety characteristics and priorities of each activity. We focus on continually identifying and preventing safety hazards, and require all subsidiaries to adhere to the “zero accidents & zero recalls” goal.

- Quality assurance system
- Supply and testing standards
- Nutritional R&D
- Additives management
- Alternative protein choice
- Employee training



### Sustainable Supply Chain

We are committed to creating a sustainable supply chain and delivering positive impact, from sourcing livestock and raw materials to working downstream with distributors and retailers to provide consumers with high-quality, nutritious protein choices.

We encourage our suppliers to act on their own initiative in environmental conservation, labor standards, employee health, and animal welfare with reference to our supplier code of conduct while meeting the procurement standards of WH Group and jointly ensuring the safety and quality of end products, working together to promote the sustainable development of the supply chain ecosystem.

- Sustainable agriculture
- Suppliers’ quality assurance
- Supplier code of conduct



### Work Environment and Safety

Most of our employees work in the production lines and have frequent contact with animals and mechanical operations, we give top priority to the protection of employees’ occupational health and safety by continually improving our occupational health and safety protection system with a focus on the prevention of work-related accidents and maintaining a safe, reliable, and comfortable working environment.

- Management systems and targets
- Workplace safety and occupational health
- Emergency response and drills



### Use of Principles

We have established a top-down three-level structure comprising the Group’s Board of Directors, the ESG Committee, and the ESG Working Group, to oversee the implementation of our corporate principles.

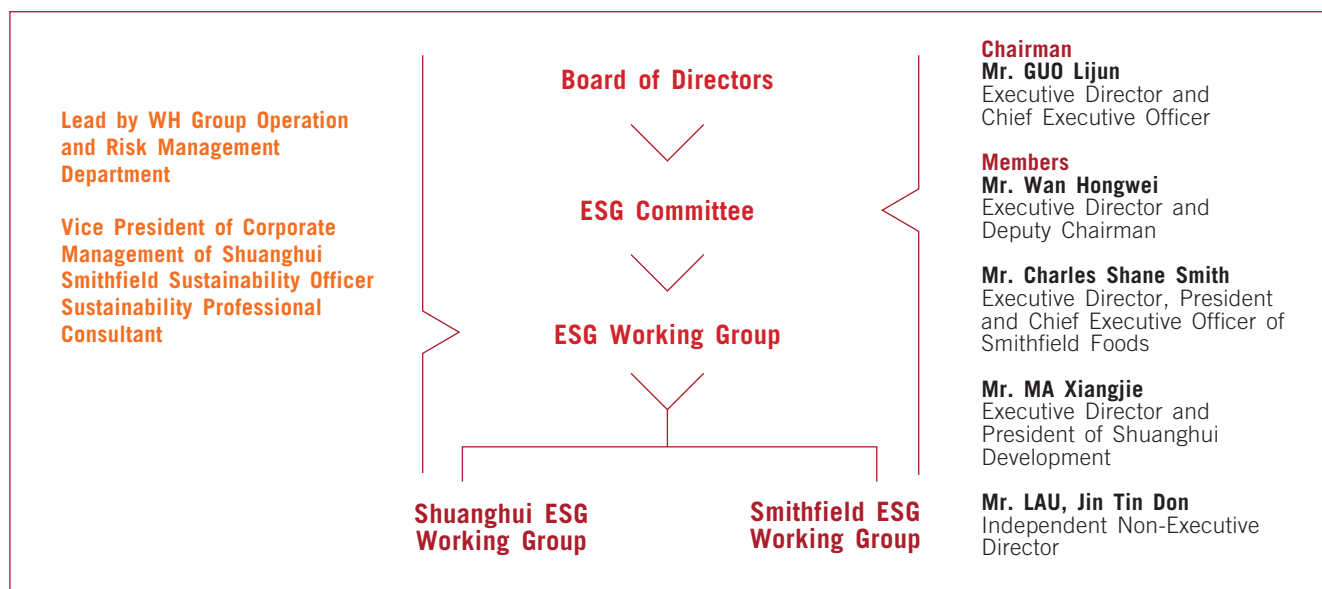
- Authorization and publication
- Application and adoption
- Implementation and monitoring
- Review and inquiry



## ESG Governance Structure

In order to implement and adhere to our ESG and corporate principles, the Group established its ESG governance structure based on a three-level structure comprising the Board of Directors, the ESG Committee under the Board, and the ESG Working Group. Routine ESG work is delivered respectively by the two main subsidiaries — Shuanghui and Smithfield — and coordinated by the ESG Working Group. This mechanism ensures effective policy implementation, rational goal-setting, adequate risk monitoring, and timely performance tracking.

### ESG Governance Structure of WH Group



The Board has a Food Safety Committee responsible for coordinating the implementation of principles and standards, supervising solutions for major food safety issues and risk prevention in the course of business, and exploring innovative approaches and technological applications. The Food Safety Committee, chaired by Mr. Wan Long, is responsible for supervising the Company's policies, operating practices, and performance relating to food quality and safety, reporting to the Board, and providing professional advice. The Food Safety Committee also assesses, reviews and monitors the Company's capabilities relating to internal control standards for food safety and product traceability, and reports to the Board and provides suggestions accordingly.

The professional committees under the Board, including the ESG Committee, the Food Safety Committee, and the Risk Management Committee, collaborate to effectively integrate ESG into strategy formulation and business activities while performing their respective duties.

The main responsibilities at each level of WH Group's ESG governance structure are as follows:

- Board of Directors: Assess, define and manage ESG risks to ensure that the Group has appropriate and effective ESG objectives and risk management measures in place, and that the Board's governance initiatives are in compliance with the relevant rules of the HKEX.

- ESG Committee: Review and report to the Board of Directors on the effectiveness of the Company's policies and performance in relation to significant ESG issues; identify and respond to material ESG issues to stakeholders through appropriate means; and supervise the standards set and performance achieved by the Group on material ESG issues.
- ESG Working Group: Organize regular and detailed internal exchanges with counterpart leaders and functional departments of subsidiaries including Shuanghui and Smithfield; promote the exchange of sustainability management experience and synergy between subsidiaries; and work with them to jointly advance the implementation of routine ESG-related work under the coordination and guidance of the ESG Committee.

## Board Statement



### Board Accountability

The Board of Directors is accountable for developing WH Group's ESG management policies and strategies, setting ESG targets, and monitoring ESG performance. The Board is also responsible for corporate ESG reporting strategies and reporting. The ESG Committee under the Board identifies, approves and reviews ESG-related policies; monitors the effectiveness of ESG risk management; reviews ESG reports; makes recommendations, and reports regularly to the Board of Directors. The Committee is composed of an independent non-executive director and four executive directors with a chair, and its responsibilities are illustrated in the Terms of Reference of the ESG Committee.



### Day-to-day Implementation

The ESG Working Group, which has representation from both Shuanghui and Smithfield, is responsible for the routine implementation of ESG-related work under the guidance of the Group's ESG Committee, including responding to issues of concern to stakeholders. The ESG Working Group organized monthly communication meetings with the executives of the subsidiaries and the principals of corresponding functions to track the progress of their respective ESG goals and review the implementation of corporate policies. In addition, the ESG Working Group also had in-depth discussions with the Food Safety Committee and the Risk Management Committee on pertinent topics and coordinated necessary plans with them.



### ESG Governance

The ESG Committee discussed ESG issues of concern to stakeholders and proposed medium- and long-term ESG goals in four areas that were submitted to the Board for approval: carbon emissions, energy consumption, water use, and waste management. The ESG Committee reviewed the practices in operating activities and business development on various subjects such as climate change, environmental conservation and employee rights, and distilled them into the corporate principles of WH Group, which were affirmed and approved by the Board.

The Board prioritized governance structure, board diversity, independence, and leadership pipeline, and announced the separation of the role of the Chairman of the Board from the Chief Executive Officer, that is, Mr. Wan Long resigned as Chief Executive Officer and remained as Executive Director while concurrently serving as Chair of the Board, while Mr. Guo Lijun was appointed as Chief Executive Officer and Executive Director. The Board appointed Mr. Wan Hongwei as an Executive Director and Deputy Chairman of the Board and Charles Shane Smith as an Executive Director. WH Group appointed Ms. Yan Kam Yin as the Group's Chief Financial Officer.

WH Group also announced on March 28, 2022 that Ms. Zhou Hui would become an Independent Non-executive Director after the 2022 annual general meeting to be held on June 1, 2022.



### Identification of ESG Risks and Opportunities

WH Group updated its *Risk Management Policy* to further standardize the Group's risk management. Based on the results of communication with stakeholders, we reached a risk consensus among the Group's regional operations, departments and business units and, in particular, identified risks that might have a significant impact on the Company's operations and formulated response measures.

We also refreshed assessment of the risks and opportunities associated with climate change on the basis of the results from the previous reporting year, and further analyzed physical risks and transition risks as well as their financial impacts in light of the Guidance on Climate Disclosures on reporting on TCFD recommendations published in November 2021.



### Material ESG Issues

WH Group maintains effective communication with internal and external stakeholders, identifies material ESG issues, formulates ESG priorities, and reviews the progress and quality of related work. During the Reporting Period, the ESG Committee led the identification and analysis of material ESG issues with a total of 35 material topics, which were reviewed and approved by the Board.

### External Recognition

During the Reporting Period, WH Group received a number of important external recognitions for its leading business performance and ESG governance, as well as encouraging ESG ratings and rankings from relevant institutions such as the MSCI, the Hang Seng Corporate Sustainability Index, and the Dow Jones Sustainability Index, validating the Group's efforts in sustainability work.

	<ul style="list-style-type: none"> <li>• Inclusion in the MSCI Hong Kong Index</li> <li>• Upgrade of MSCI-ESG index rating from BB to BBB</li> </ul>
	<ul style="list-style-type: none"> <li>• Inclusion in the Hang Seng Corporate Sustainability Index</li> <li>• A+ rating</li> </ul>
	<ul style="list-style-type: none"> <li>• Rated ahead of 82% of companies in the industry</li> </ul>

The Group received the following awards and honors during the Reporting Period:

-  WH Group was included in the “Fortune Global 500” list
-  Shuanghui was awarded the Most Valuable Brand in China’s Meat Food Industry in 2021 by the China Meat Association
-  Shuanghui was awarded the “National Key Leading Enterprise of Agricultural Industrialization” title by the Ministry of Agriculture and Rural Affairs of the People’s Republic of China
-  Shuanghui was awarded the 2021 “Leading Enterprise in the Meat Industry” title by the China Association of Agricultural Leading Enterprises
-  Shuanghui was awarded the 2021 “Star of Corporate Philanthropy” title by the Henan Charity General Federation
-  Smithfield was named a “U.S. Food Loss and Waste 2030 Champion” by the U.S. Department of Agriculture and U.S. Environmental Protection Agency

-  Smithfield received the World Sustainability Awards’ (WSA) prestigious “Profit with a Purpose” award
-  Smithfield facilities received the Sustainability Excellence in Manufacturing Award from ProFood World
-  Smithfield received various environmental achievement and worker safety awards from the North American Meat Institute (NAMI)
-  Smithfield received a 2021 Sustainability, Environmental Achievement and Leadership (SEAL) Award in the Environmental Initiative category
-  Smithfield was named a “Business Intelligence Group” and was a 2021 Sustainability Award Finalist for leadership
-  Smithfield was named a “Food Logistics 2021 Top Green Provider”

### Stakeholder Engagement

WH Group attaches great importance to the concerns of stakeholders and the expectations of the general public. It has established diversified regular communication channels to identify and respond to the concerns of stakeholders, including investors, employees, suppliers, regulators, industry associations and experts, non-governmental organizations, sustainability think tanks, media, distributors and consumers. We aim to establish a relationship built on trust with all stakeholders and protect their interests while growing our business sustainably.

WH Group has also established multi-level communications with stakeholders, including those channels and network within the Group’s two subsidiaries of Smithfield and Shuanghui respectively.

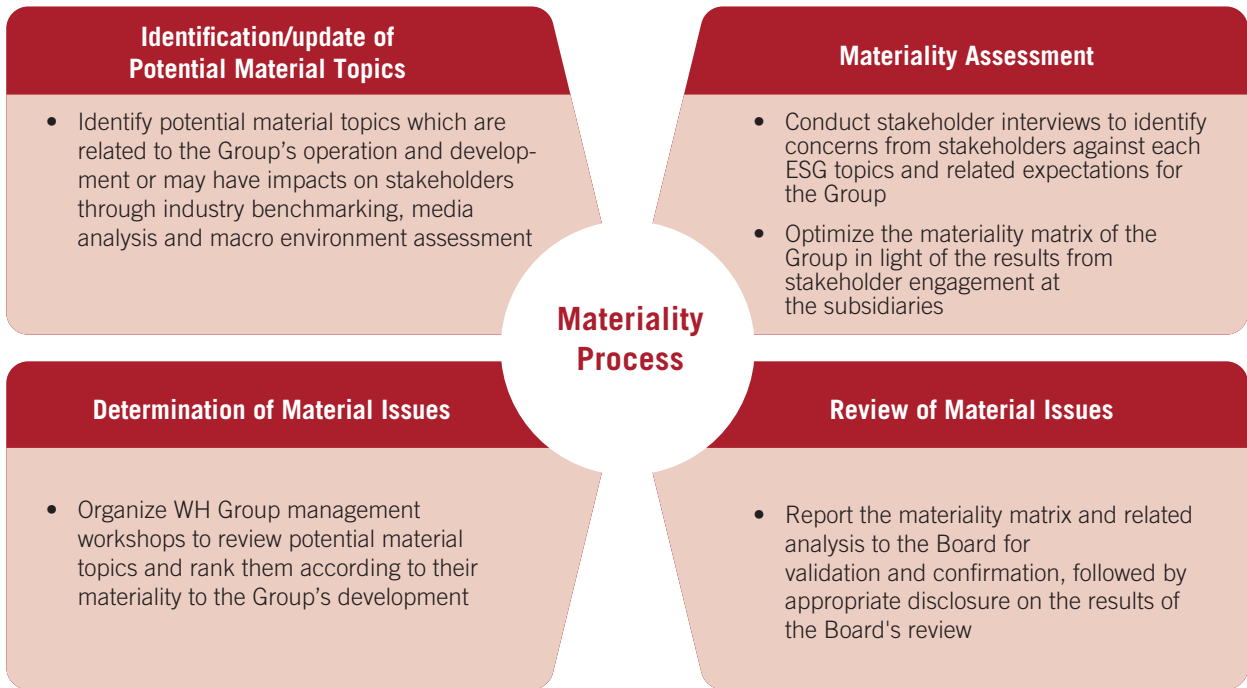
Shuanghui	Smithfield
Shuanghui has formulated the <i>Stakeholder Expectations and Concerns Management Procedures</i> , which encourages all parties related to business operations to participate in the establishment of ESG policies and systems, as well as play a role in the supervision on the implementation and quality of the company’s related work.	Smithfield regularly engages stakeholders, including employees, customers, communities, governments and regulators, suppliers, industry associations and academia, to ensure the effective implementation of the company’s sustainability philosophy.
For more information, please refer to the <i>2021 Environment, Social and Governance Report of Shuanghui Investment &amp; Development Co., Ltd.</i>	For more information, please refer to the <i>2021 Smithfield Sustainability Impact Report</i>

### Materiality Assessment

In order to effectively respond to ESG-related risks and opportunities, WH Group has set up an ESG materiality evaluation system assessing ESG topics and trends semi-annually. In 2021, we identified potential ESG topical areas based on holistic review from media reports, peer comparison, stakeholder interviews and international ESG disclosure standards. We finally confirmed a total of 35 topics, with two new items: information and security, and responsible marketing.

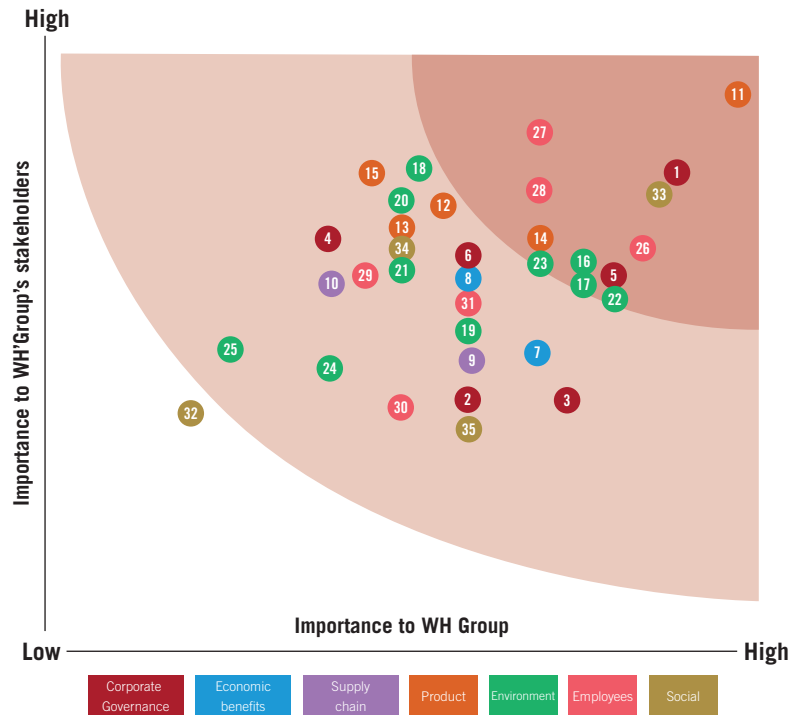
**Identification of material topics and materiality analysis**

Based on their respective stakeholder engagement mechanisms and market needs, Shuanghui and Smithfield update and prioritize their material issues annually. WH Group integrated the material topics from both subsidiaries with those raised by WH Group’s stakeholders. The combined material topics were then prioritized by the Group’s management team with a conclusive material issue list, which was thereafter approved by the Board of Directors.

We engaged external stakeholders to assess and rank the topics identified according to the materiality of each to them. The Group’s management also assessed and ranked the topics identified according to the materiality of each to the Group. We then plotted the two sets of results along the horizontal and vertical axis and produced the materiality matrix for 2021, with a total of 12 prioritized issues confirmed.

### 2021 WH Group Material Issue Matrix



Corporate Governance		Environment	
<b>1</b>	<b>Governance framework and transparency</b>	<b>18</b>	Water resource management
<b>2</b>	Code of business conduct and anti-corruption	<b>19</b>	Use of packaging materials
<b>3</b>	Risk management	<b>20</b>	Atmospheric pollution
<b>4</b>	Public policy and responsibility	<b>21</b>	Odor control
<b>5</b>	<b>Information and security</b>	<b>22</b>	<b>Wastewater discharges</b>
<b>6</b>	Responsible marketing	<b>23</b>	<b>Waste management</b>
<b>Economic Benefits</b>		<b>24</b>	Ecological restoration
<b>7</b>	Sustainable income growth	<b>25</b>	Biodiversity conservation
<b>8</b>	Internal tax policy	<b>Employees</b>	
<b>Supply chain</b>		<b>26</b>	<b>Occupational health and safety</b>
<b>9</b>	Supply chain management system	<b>27</b>	<b>Equal employee development</b>
<b>10</b>	Sustainable procurement system	<b>28</b>	<b>Reasonable remuneration and benefits</b>
<b>Product</b>		<b>29</b>	Diversified staff training
<b>11</b>	<b>Product safety and quality</b>	<b>30</b>	Non-discrimination
<b>12</b>	Product nutrition (food health and nutrition opportunities)	<b>31</b>	Protection of basic labor rights
<b>13</b>	Product labeling (advertising and labeling)	<b>Social</b>	
<b>14</b>	<b>Technology and innovation</b>	<b>32</b>	Elimination of hunger
<b>15</b>	Consumer complaint platform	<b>33</b>	<b>Use of antibiotics</b>
<b>Environmental</b>		<b>34</b>	Social contribution
<b>16</b>	<b>Response to climate change</b>	<b>35</b>	Animal welfare
<b>17</b>	<b>Energy management</b>		

Note: The material issues are marked in bold.



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## SUSTAINABLE BUSINESS

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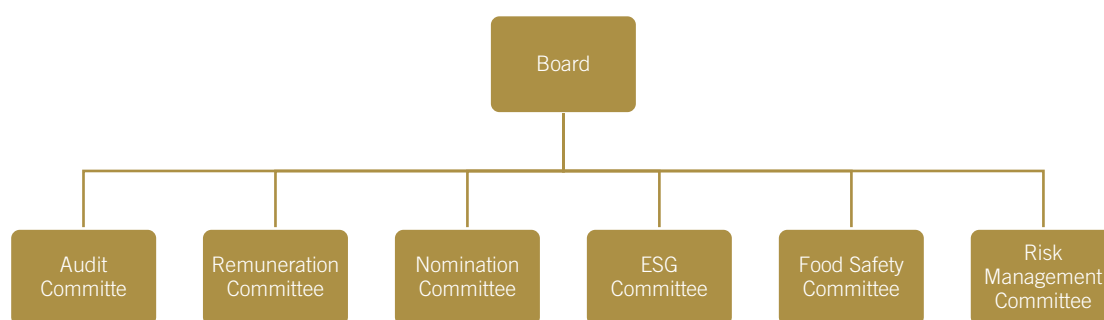
## 1. SUSTAINABLE BUSINESS (continued)

Trustworthiness and integrity are core values of WH Group and reflect the Company's unwavering commitment to regulatory compliance, risk management and business ethics. We are committed to conducting ourselves ethically and forging a strong corporate reputation. To pursue corporate sustainability, we hold the conviction that our corporate principles are underpinned by business integrity, transparency and accountability.

### 1.1. Governance Structure

We abide by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and other applicable laws and regulations where we operate, and continually improve in pursuit of higher corporate governance standards. In light of our business development and presence, the Group has set up a number of professional committees under the Board to ensure that the interests of shareholders and the Company as a whole are effectively safeguarded. During the Reporting Period, we formulated the *WH Group Corporate Principles*, with a view to uplift corporate conduct beyond compliance for sustainable development, particularly in respecting the market rules of fair competition, enhancing the transparency of financial disclosures and audit, as well as strengthening information security-risk management.

#### Governance Structure of WH Group



The Group has a *Board Diversity Policy*, which guides and enables the diversity of the Board in terms of gender, age, culture and education background, race and professional experience, amongst others. We aim to enhance governance capabilities in a holistic yet multi-dimensional manner while regularly reviewing the Company's development quality and risk management to advance our long-term strategic objectives and enhance corporate reputation.

During the Reporting Period, WH Group announced a series of appointments to enhance its governance structure and management team, including the separation of the role of the Chair of the Board and the Chief Executive Officer. Our Board is comprised of nine members, including five Executive Directors, one Non-Executive Director, and three Independent Non-Executive Directors, with Non-Executive Directors accounting for 44%. Please refer to the *List of Directors and Their Roles and Functions* for the specific Board member appointments and the "Corporate Governance" section of the 2021 Annual Report of WH Group Limited for details about the meetings of the Board and its committees.

During the Reporting Period, certain media reported the allegations against the Group by Mr. Wan Hongjian, a former executive Director who was dismissed by the Company. The Board of Directors issued a timely announcement on August 18, 2021, clarifying that the allegations were untrue and misleading. The Board of Directors acted responsibly by issuing a voluntary announcement on August 23, 2021 providing further details to refute the allegations.

### 1.2 Risk Management

WH Group is committed to a high standard of internal risk management. We continually improve our internal risk management system in strict compliance with laws and regulations where we operate including the People's Republic of China, the U.S. and Europe. Incorporating the needs rising from business expansion, we continuously optimize our internal risk management with a robust and science-based risk framework.

## 1. SUSTAINABLE BUSINESS (continued)

### Management Structure

The Board of WH Group has ultimate responsibility for the Group's risk management and oversight. It is responsible for supervising and guiding management on matters related to the assessment and effective control of risks; the committees under the Board are responsible for the risk supervision of the Group; the management teams of the Group and its subsidiaries are responsible for identifying, assessing, prioritizing and managing various risks to ensure the effective operation of relevant risk management and internal control procedures and measures.

### Risk Management Structure of WH Group



### Responsibilities of Board Committees of WH Group in Risk Management



#### Risk Management Committee

Establish and oversee risk management systems;

Conduct regular review of the Group's risk management system, risk management related internal control systems, and risk management policies and procedures to identify, assess and manage risks, oversee their effective operation, and ensure the effective implementation of appropriate internal risk controls;

Respond proactively to the Board's assignments to assess significant findings with regard to risk management and internal control matters and management's responses to such findings;

Report to the Board on any significant risk management matters and propose recommendations or solutions for improvements in the Company's compliance and risk management.



#### Food Safety Committee

Report and advise on the Company's policies, operational standards and performance in relation to food quality and safety to ensure compliance with relevant laws and regulations;

Evaluate, review, oversee, report to and advise the Board on the Company's food safety internal control standards and product tracking processes.



#### Audit Committee

Assist the Board by providing independent opinions on the effectiveness of the Company's financial statement preparation process, internal controls and risk management systems;

Oversee the audit process and perform other functions and duties assigned by the Board;

Evaluate and review risk management policies and assist the Board in overseeing the implementation of risk management policies.



#### ESG Committee

Identify ESG issues that are relevant and material to the Group's operations and other significant stakeholders;

Review and make recommendations to the Board on the effectiveness of the Company's policies and performance in relation to material ESG issues;

Respond to ESG issues of concern to stakeholders through appropriate means.

## 1. SUSTAINABLE BUSINESS (continued)

### Management Procedure

WH Group has a *Risk Management Policy* to regulate the Group's risk management work, including the implementation process, which consists of five main steps, namely budgeting and planning, risk assessment, action plan, management and supervision, and reporting. We continually assess and update various risks to reduce the impacts of potential risks on the Group's operations and improve the Group's resilience.

**Risk Management Procedure of WH Group**



In 2021, the Group conducted two risk management assessments, which provided important references for corporate management and internal audit planning by identifying eight risk categories, including product pricing and markets; food safety; foreign exchange; industry competition; planning and strategy; international markets and trading; epidemics; regulations and policies, and listing rules. We held special meetings to discuss solutions and responses to the identified risks and continuously monitored throughout the control process for these risks and the outcomes.

### 1.3 Business Ethics and Anti-Corruption

WH Group has always adhered to business integrity and compliance and is committed to continually optimizing relevant internal policies and organizational structures to fight corruptive behaviors and promote business ethics in daily operations.

#### 1.3.1 Business Ethics

We strictly abide by the Anti-Unfair Competition Law of the People's Republic of China, the Sherman Antitrust Act, the EU Antitrust Policy, and other applicable laws and regulations where we operate, adhere to compliance requirements in business operations, and consciously uphold the principle of fairness and justice of the market. At the Group level, we formulated the *WH Group Corporate Principles*, which provide a code of ethics covering prohibition of unfair competition, anti-corruption and prevention of insider trading, amongst others. The Principles also expressly support and uphold fair and free market principles.

Based on the *WH Group Corporate Principles*, Shuanghui and Smithfield have strengthened or updated their respective business ethics guidelines where appropriate and take actions to ensure effective implementation. In addition, WH Group, together with its subsidiaries, has carried out a series of initiatives to enhance the business ethics awareness amongst employees and management.

Shuanghui	Smithfield
<p>Based on the <i>Shuanghui Integrity Code</i> and other business ethics policies, Shuanghui requires all employees and partners to raise ethics awareness and follow the code, strictly prohibiting fraud, money laundering and unfair competition.</p> <p>Shuanghui's anti-monopoly compliance research group is responsible for reviewing anti-monopoly behavior. It conducted anti-monopoly risk research on Shuanghui's commercial behavior in the packaged meat industry. Meanwhile, Shuanghui organized anti-monopoly training for team members to further improve their professional capabilities.</p>	<p>Smithfield updated its <i>Code of Business Conduct and Ethics</i>, which sets forth explicit requirements on such aspects as conflicts of interest, gifts and entertainment, and independent and fair competition in accordance with applicable laws.</p> <p>Smithfield has always emphasized ethical employee conduct. All employees have signed a statement on compliance with the <i>Code of Business Conduct and Ethics</i>, and are made aware of available channels for complaint or ethics concern at the Company's ethics hotline, which is also documented in the <i>Code of Business Conduct and Ethics</i>.</p>

## 1. SUSTAINABLE BUSINESS (continued)

We abide by the laws and regulations where we operate and actively cooperate with all compliance inquiries from corresponding local agencies. During the Reporting Period, Smithfield was involved in a series of class action lawsuits as one of 16 defendants. These 2018 lawsuits allege antitrust violations in the U.S. pork industry. In addition, Smithfield has also been named as a defendant in similar antitrust lawsuits brought by multiple individual buyers. On June 29, 2021, the Group agreed to settle all direct purchaser class claims for a final settlement payment of US\$77 million. On March 29, 2022, the Group agreed to settle all commercial and institutional indirect buyer class claims for a one-time payment of US\$42 million. The terms of the settlement are subject to notification to class members and court approval. The Group will continue to vigorously defend the remaining antitrust lawsuits. For more details, please refer to the Antitrust Litigation chapter of the Company's 2021 Annual Report.

### 1.3.2 Anti-Corruption

WH Group strictly adheres to the requirements of anti-corruption, anti-bribery and anti-money laundering laws and regulations applicable to all regions where it operates. We have an honest and reputable corporate culture, and continually strengthen anti-corruption management in line with internal anti-corruption control policies. In the *WH Group Corporate Principles*, the Group defines relevant principles which prohibit the direct or indirect offering, promise, acceptance and solicitation of any improper benefits for the Group's business units and individuals. It has zero tolerance for fraud, bribery and corruption. In financial and accounting work, the Group provides training on anti-money laundering laws and regulations for pertinent positions and personnel, and has internal policies and processes aiming to eliminate money laundering.

We require management and employees to follow international and local anti-corruption initiatives and practices in their work. We also require our partners such as suppliers, distributors and joint-venture partners to establish and adhere to the same principles.

The subsidiaries of WH Group have their own codes of conduct with clear provisions on anti-corruption, anti-bribery and anti-money laundering.

Shuanghui	Smithfield
Shuanghui established internal integrity policies, such as <i>Shuanghui Integrity Code</i> and <i>Anti-Bribery Statement</i> , which provide a basis for determining and handling integrity issues. Shuanghui conducts internal audit testing and substantive inspections annually with a focus on anti-fraud.	Smithfield updated the <i>Code of Business Conduct and Ethics</i> to further regulate employee and management conduct in anti-corruption, anti-bribery and anti-money laundering.

We encourage the stakeholders of the Group and its subsidiaries, including customers, suppliers, contractors, creditors and debtors, as well as employees, to report through confidential channels any actual or suspected misconduct of the Group in relation to financial reporting, internal control and business conduct, amongst others. The *WH Group Corporate Principles* has clear provisions on the whistleblowing process, content, investigation approach, confidentiality and protection of whistleblowers. It addresses the importance of the effective implementation of the whistle-blowing mechanism in promoting an honest and righteous corporate culture.

#### Whistleblowing channels

- The whistleblower can send the written communication to the Secretary of the Group's Audit Committee of the Board of Directors via e-mail

#### Issues to report

- Irregularities may include misconduct, fraud, immorality, and non-compliance
- Report should also include description of the suspected or actual offence, background and evidence

#### Investigation

- Preliminary investigation by the Audit Committee
- Internal investigation
- Consultation with external professional advisors
- Law enforcement procedures

#### Whistleblower protection

- Implement confidential arrangements regarding the whistleblowing and the identity of the whistleblower
- Anonymous whistleblowing is permitted

#### Handling of false claim

- Transfer the case to law enforcement authorities and seek recovery of any loss or damage suffered as a result of false claim

## 1. SUSTAINABLE BUSINESS (continued)

In view of the seriousness of anti-corruption and anti-bribery, the Group requires the subsidiaries to hold regular training and awareness-raising activities for employees, and directors are required to participate in annual anti-corruption and anti-bribery training. During the Reporting Period, the Group provided a total of 215,822 hours of anti-corruption training with a total attendance of 29,694. Among them, in December 2021, we conducted special training for the Board of Directors on the general responsibilities and professional development of directors and management. During the Reporting Period, no cases of corruption were filed or concluded.

### 1.4. Information Security

WH Group strictly abides by the Cybersecurity Law of the People's Republic of China, the Administrative Measures on Internet Information Services, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, General Data Protection Regulation (GDPR), and the relevant laws and regulations where the Company operates. It also implements standardized management of network security and user privacy. The Group not only has clear provisions on the management of partner information, customer information and personal privacy, but also regards network security as an important part of risk management — which is managed, monitored and reported by a dedicated department. Shuanghui and Smithfield have their respective information management systems, security policies and authorization protocols for access to confidential information; the two companies have formulated and been practicing their respective network security protection policies and conducting effectiveness review as appropriate.

In addition, in order to improve employees' information security awareness and information protection capabilities, WH Group regularly provides relevant training to employees. During the Reporting Period, no information security breaches were reported.

Shuanghui	Smithfield
<p>In accordance with <i>Provisions Shuanghui Investment &amp; Development Co., Ltd.</i> on the Protection of Trade Secrets and the <i>Information System Management Policy of Shuanghui Investment &amp; Development</i>, Shuanghui implements standardized procedures for confidentiality management, including the receipt and distribution of internal documents, data management, meeting management and data digitalization, to strengthen customer privacy and data protection. In addition, Shuanghui conducts regular network security early warning notices and maintains network security through a multi-level information security detection and protection system and regular intranet vulnerability scanning.</p>	<p>Smithfield completed a review of its security software system, which consolidates audits, investigations, training and assessment results from U.S. operations in a single database with the ability to conduct real-time and on-site investigations, licensing and audits. Smithfield also updated its <i>Code of Business Conduct and Ethics</i>, covering data protection and employee information protection.</p>



# 2

## Green Operations

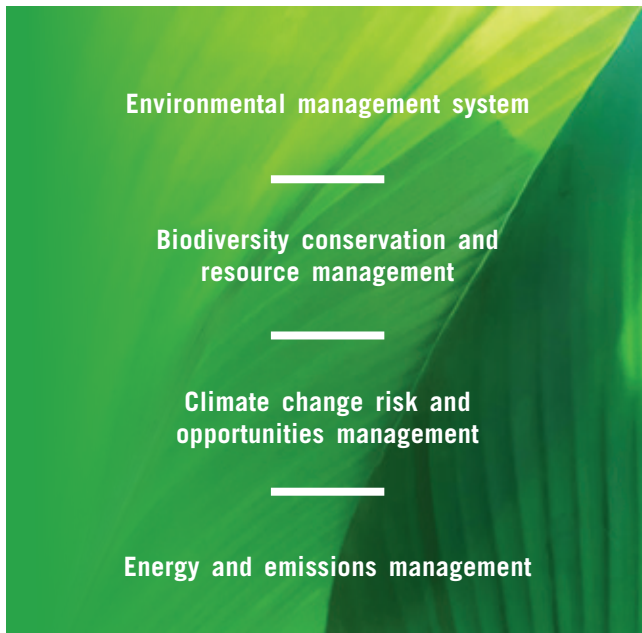
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## 2. GREEN OPERATIONS (continued)

To mitigate the impacts of our business activities and the supply chain on the climate and environment, we have spelled out the management priorities and action plans in four aspects in our announced Principles:

### Environmental Pillars of the WH Group Corporate Principles



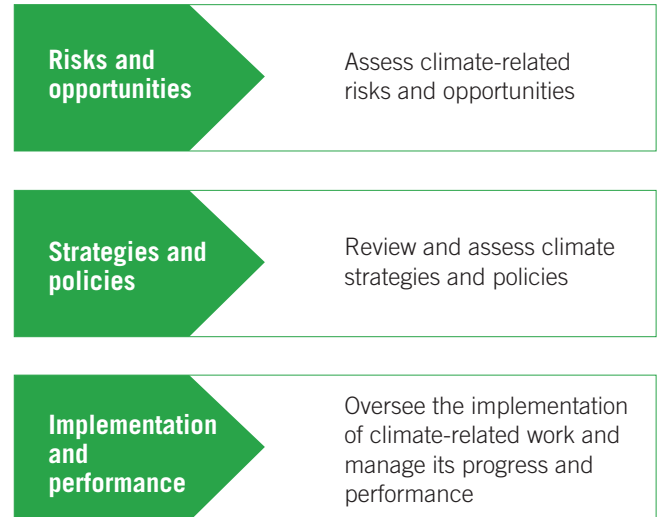
### 2.1. Response to Climate Change

With the increasingly severe impacts of a series of global climate change events, addressing climate change has become a common challenge for humankind, and accelerating low-carbon transition is a formidable task for all. In 2015, nearly 200 parties signed the Paris Agreement at the 21st United Nations Climate Change Conference, joining hands in pursuing efforts to limit the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels. Since then, most countries have announced their nationally determined contributions to emissions reduction, and China also announced its carbon peak and neutrality goals. As the world's largest pork producer, WH Group is aware of the environmental impacts of its business activities and its responsibilities and obligations in jointly addressing climate change. Therefore, we have prioritized the response to climate change in our development strategy by identifying and responding to climate-related risks in a timely manner, exploring and seizing climate-related opportunities, and implementing a number of emissions reduction measures as well as plans to effectively enhance our climate resilience and steadily advance our low-carbon transition.

#### 2.1.1. Corporate Governance

The ESG Committee takes the lead in conducting analysis and assessment, strategy review, and monitoring of climate-related risks. It makes recommendations and reports to the Board on the Group's climate strategies and performance.

#### Key Responsibilities of the ESG Committee to Address Climate-related Risks



#### 2.1.2. Climate Risk Management

##### Risk Identification

Given the multifaceted and shifting impacts from climate-related risk on business, effective management of climate-related risks is essential for business operations. WH Group took the initiative to explore effective application of the recommendations from the Taskforce on Climate-Related Financial Disclosure (TCFD) to its risk management work, identifying its climate-related transition risks<sup>1</sup> and physical risks<sup>2</sup>. Given the geographical spread of the Group's operations, considerations shall be given to a variety of local situations of each area. Factors taken into account include geographical location, local policies, future government planning, and historical records of extreme weather events, among others. This helps the Company clarify climate change risks affecting the Group's business and possible financial impacts.

<sup>1</sup> Transition risk: Transition risks come from the transition to a more sustainable low-carbon economy, including risks related to policy, law, technology, market and reputation.

<sup>2</sup> Physical risk: Physical risks are related to extreme weather and the rise of the global average temperature, including acute risks (typhoons, floods), chronic risks (rising mean temperatures, rising sea levels) and other risks.



## 2. GREEN OPERATIONS (continued)

The Group conducted multi-dimensional assessments of climate-related risks identified at management workshops to prioritize such risks and explore corresponding opportunities. Based on in-depth discussions, WH Group has confirmed 6 climate-related risks that may significantly impact the business operations of the Group and its subsidiaries, as follows:

Climate-Related Risks (Level 1)	Climate-Related Risks (Level 2)	Climate-Related Risks (Level 3)	Financial Impact
Transition risks	Technology	Substitution of existing products and services with lower emissions alternatives	Reduced demand for products and services  Write-offs and early retirement of existing assets
		Unsuccessful investment in new technologies	Research and Development (R&D) expenses for new and alternative technologies  Preliminary venture capital for technology development
		Front-loaded capital expenditure for low-emission technology transformation	Capital expenditure for adopting or deploying new practices and processes
	Market	Increased cost of raw materials	Increased operating costs
		Supply chain disruption	Decline in operating scale and operating income
		Large availability of animal protein alternatives	
Reputation	Shifts in consumer preferences to more environmentally friendly, healthy products	Reduced revenues due to lower demand for products and services	
	Internal environmental accidents or conflicts with stakeholders		
Physical risks	Acute risks	Drought  Flood	Increased operating costs  Shift in consumer preferences due to impacts on product quality  Reduced revenues due to impacted production

### Potential Opportunities

Though climate change poses risks, it also creates opportunities for businesses. WH Group actively explores industry chain transition initiatives and low-carbon development consistent with the characteristic of its operations to continually improve its corporate adaptability and tap potential industry value. The Group's business strategy aims to reduce environmental impact throughout its value chain by actively exploring new technology applications, accelerating the transition to a low-carbon business model, and improving its competitiveness in the industry.

#### Resource efficiency opportunities

- **More efficient transportation:** In response to climate-related risks, the Group will continually optimize logistics routes to improve transportation efficiency and reduce transportation costs.
- **Reducing water consumption:** The Group will upgrade its production processes, which reduce operating costs while reducing water consumption and address water risks.
- **Recycling:** The Group will further improve the recycling of water resources and adopt appropriate treatment methods for livestock and poultry manure to increase economic benefits.
- **Production flow:** The Group will optimize production flow to enhance energy efficiency during the product R&D process.



#### Energy sources opportunities

- **Low-carbon energy sources:** Unlike other food companies, WH Group uses byproducts such as livestock and poultry manure to convert waste into clean energy through methane fermentation.
- **Clean electricity:** Clean energy such as solar and wind energy can be installed at plants with sufficient space to replace fossil fuels.
- **Clean transportation:** Promotes the use of heavy transport vehicles and cold chain logistics vehicles powered by renewable energy.



## 2. GREEN OPERATIONS (continued)

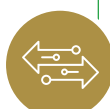
### Product and service opportunities

- Lowering our carbon footprint can help us to cater to the requirements of governments and consumers who prefer low-carbon products.
- Through R&D and innovation, the Group works to solve potential product storage problems brought about by the future global temperature rise.



### Market opportunities

- Lowering our carbon footprint will facilitate easier access to markets with more stringent carbon regulations in the future.



### Adaptation opportunities

- Increasing supply chain reliability. WH Group products require extensive use of cold chain transportation. Reliability can be enhanced by using technologies that help adjust cold chain transportation.
- R&D of new product and service. Conducting R&D on low-carbon products in advance may help WH Group become more adaptable.

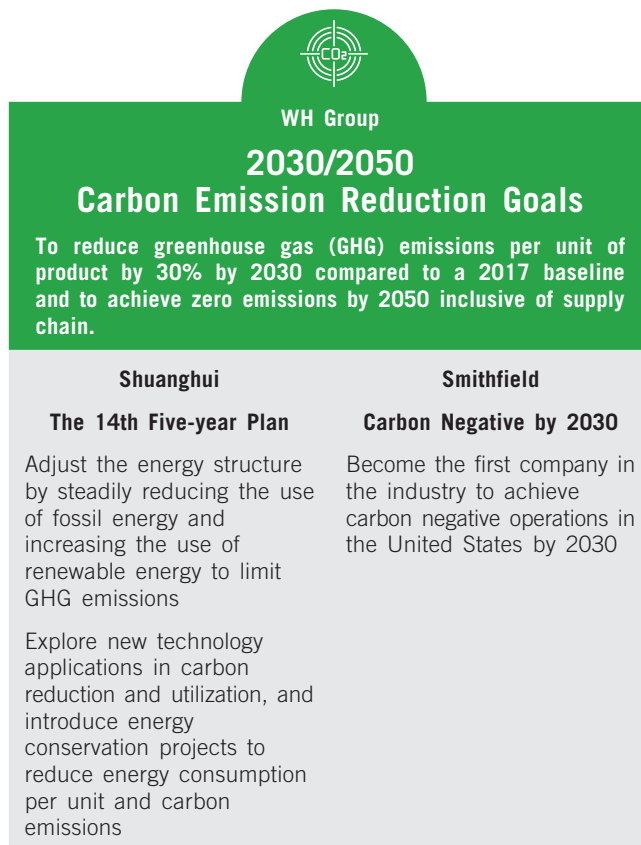


### New technology application opportunities

- Plastic packaging replacement: The Group focuses on and actively promotes plastic packaging alternatives and biodegradable packaging materials that enhance the speed of degradation and considers a product's whole life cycle when evaluating the efficiency of packaging waste disposal.

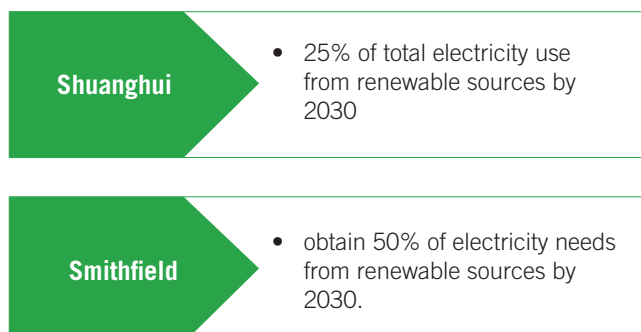


### Carbon emission targets of WH Group and its subsidiaries



Based on a comprehensive consideration of relevant factors, such as the requirements of applicable laws and regulations, energy structure, and policy trends in the regions where it operates, the Group divides its energy use targets by subsidiary. With a focus on increasing the share of renewable energy use, the Group has set the following energy use targets:

### Energy use targets of WH Group and its subsidiaries



### 2.1.3. Our Responses

To steer our work in responding to climate-related risks and accelerating low-carbon green transition, WH Group has set GHG emission targets at both the Group and subsidiary levels, taking into consideration internal capacity and external dynamics, but most importantly our commitment to tackling climate change.

## 2. GREEN OPERATIONS (continued)

To achieve the medium and long-term emission reduction targets and the green transition of the Company, WH Group and its subsidiaries set some key initiatives across the entire production operation for its carbon reduction goals. The pathways to achieve carbon targets include: 1) promoting the circular economy to realize the reduction of carbon emissions from farming, 2) forming a diversified energy structure by increasing the proportion of renewable energy, 3) promoting energy efficiency improvement methods to meet the growth of energy demand, and 4) broadening the scope of carbon reduction actions to lead the low-carbon development of our value chain.



### Promote the circular economy

#### Reduce the carbon emissions of farms and increase the efficiency of biomass energy utilization

We continuously explore opportunities for carbon emissions reduction in hog production. By recycling pig and poultry manure to produce clean energy and enhanced fertilizers, we also reduce carbon emissions.

In 2021, Monarch Bioenergy, a joint venture between Smithfield and its long-term partner Roeslein Alternative Energy, finished installing manure-to-energy technology on nearly all of Smithfield's hog finishing farms in Northern Missouri. The farms are now producing carbon-negative RNG from hog manure at a rate of approximately 800,000 dekatherms annually.

**Biomass gasification boilers:** To reduce carbon emissions and the pollutants generated by boiler combustion, in 2021, Shuanghui replaced coal-fired boilers with biomass gasification boilers and replaced the burning of traditional fossil fuel (such as coal) with renewable energy biomass in 2021. This replacement will help reduce carbon emissions by 45,000 metric tons per year. Two of Shuanghui's subsidiaries have already completed the replacement.



### Accelerate energy mix transformation

#### Optimize the energy mix in favor of clean energy to reduce carbon emissions

WH Group has worked continually to reduce energy consumption from production facilities, such as refrigeration and lighting, thereby reducing carbon emissions. In addition, WH Group has made considerable efforts to adopt clean and renewable energy sources into its energy structure, such as wind and solar electricity.

WH Group has implemented wastewater-to-energy projects in several plants, where wastewater is treated to power upgraded steam boilers.

**Wind Energy:** Smithfield has set an energy target of "obtaining 50% of electricity needs from renewable resources by 2030." To meet this target, Smithfield has invested in ALLETE Clean Energy's Diamond Spring project, which has a 112-turbine wind site in south-central Oklahoma that will deliver up to 15% of Smithfield's U.S. energy needs. The 12-year power purchase agreement between multiple companies will deliver about 300 MW of renewable energy annually, enough to power 114,000 homes.

**Solar Energy:** Shuanghui's subsidiary, Xihua Shuanghui, operates a demonstration distributed solar energy project at its facility, which installs solar electric systems on rooftops and carport sites in the production area to provide green electricity not only for domestic use, but also for the grid if there is a surplus. The total available plant roof and site area is approximately 44,000 square meters, with an installed capacity of approximately 2.68 MW, which can provide 4.23 GWh of green electricity and reduce emissions by 2,223 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) annually.

**Green energy certificate purchases:** The Group is considering purchasing green energy certificates, including Green Electricity Certificate (GEC) and Renewable Energy Certificate (REC), as one of the ways for the Company to meet its renewable energy purchase targets and reduce GHG emissions, and will explore the feasibility of this approach in its various operations.



### Improve energy efficiency

#### Improve energy efficiency to reduce energy dependency

Improving energy efficiency is an important way to achieve energy optimization for modern enterprises. With reference to the national energy consumption quota standards in China and international best practices in the industry, the Group continually explores new energy-saving equipment and optimized processes to keep reducing its energy consumption per unit weight of products.

## 2. GREEN OPERATIONS (continued)

**Energy management digital transformation:** Shuanghui, in cooperation with a research institute under the Chinese Academy of Sciences, has custom-developed an intelligent cloud energy management platform that enables energy consumption monitoring, intelligent equipment control, intelligent inspection notification, and intelligent analysis of energy consumption. This system, which is being implemented in its 12 subsidiaries in China, delivers automatic meter reading, improved energy measurement accuracy, real-time monitoring, timely identification of energy consumption issues and improvement measures, rapid response to data anomaly, and improved management and energy utilization. It also provides analysis of energy consumption patterns and the energy balance status of each unit and workshop, to reduce energy costs through management and energy saving.

**Use of energy-saving equipment:** Shuanghui has introduced a new type of energy-saving pump with a 35% reduction in electricity consumption. During the Reporting Period, seven such pumps were installed in five factories with a total electricity saving of 1.56 GWh and a carbon emission reduction of 820 metric tons. Shuanghui also put into use new permanent magnet synchronous variable frequency air compressors with an energy efficiency improvement of more than 25% compared with previous predecessors. During the Reporting Period, six such air compressors were installed in six factories with a total electricity saving of 1.037 GWh and a carbon emissions reduction of 545 metric tons.

WH Group's subsidiary Smithfield makes constant efforts to optimize energy efficiency in its operations, including lighting retrofits at farms and facilities and continuous improvements in equipment efficiency as well as control technologies for compressed air, refrigeration and boiler systems. Its North East, Maryland distribution center received a Leadership in Energy and Environmental Design (LEED) Silver facility rating.



### Lead the low-carbon development of the value chain

#### Expand carbon reduction actions for reduced carbon emissions throughout the industry value chain

The Group actively aims to reduce carbon emissions and tap into emissions reduction opportunities such as technology investments, financial investments, and asset management systems. These serve to diversify the Group's carbon reduction pathways, promote the reduction of GHG emissions across its value chain and beyond, and support the transition toward carbon neutrality in the industry and society at large.

#### Reducing the carbon footprint of the feed grain supply chain:

WH Group and its subsidiaries are committed to reducing the carbon footprint of its supply chain by helping suppliers explore ways to reduce carbon emissions. Smithfield's agronomics program, SmithfieldGro, helps farmers in its supply chain reduce crop inputs and improve crop yields by investing in carbon reduction and conservation methods. This helps reduce Smithfield's carbon footprint in the feed and grain supply chain.

**Green logistics:** Smithfield has launched a logistics optimization program to reduce transportation miles in its operations by reducing the number of regional distribution centers and enhancing transportation routes. The program helps Smithfield reduce distance traveled each year by approximately 11.2 million miles and reduce diesel consumption by 1.6 million gallons, equating to an annual GHG emission reduction of nearly 13,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). In addition, Smithfield bought 75 electric hybrid trailers and built 25 charging stations at its Vernon, California facility in 2019 and 2020. By using cleaner energy trailers, Smithfield saved more than 8,500 gallons of diesel fuel.

### 2.1.4. Environmental Performance

WH Group closely monitors its environmental performance and systematically manages and tracks environmental data to help accurately analyze energy consumption and emission trends, measure the efficiency of carbon reduction actions, and assess the progress in achieving carbon reduction targets.

WH Group's energy consumption data during the Reporting Period:

Energy consumption	Unit	2019	2020	2021
Direct energy consumption	Million kWh	5,878	5,216	4,889
Direct energy consumption intensity	kWh/metric ton of products produced	617	603	525
Indirect energy consumption	Million kWh	3,686	3,811	4,067
Indirect consumption energy intensity	kWh/metric ton of products produced	387	440	436
Total energy consumption	Million kWh	9,564	9,026	8,956
Total energy consumption intensity	kWh/metric ton of products produced	1,004	1,043	961

From 2021, the Group will report GHG emissions in Scope 1 and Scope 2 separately in the ESG report. The Group's GHG emissions for the Reporting Period are:

GHG emissions <sup>3</sup>	Unit	2019	2020	2021
GHG emissions — Scope 1	Metric tons of carbon dioxide equivalent	/	/	1,002,419
GHG emissions — Scope 2	Metric tons of carbon dioxide equivalent	/	/	1,581,146
Total GHG emissions	Metric tons of carbon dioxide equivalent	2,616,317	2,562,584	2,583,565
GHG emissions intensity	Metric tons of carbon dioxide equivalent/metric tons of products produced	0.27	0.30	0.28

Thanks to our measures to limit greenhouse gas in 2021, our carbon intensity was lower than the previous year and we will continue to progress in this direction.

<sup>3</sup> Excludes hog farms in the U.S.

## 2. GREEN OPERATIONS (continued)

### 2.2. Pollution Management

The Group attaches great importance to pollution management and strictly manages emissions from all aspects of operations in compliance with the related laws and regulations where it operates. To promote green development and build a sustainable industry chain, WH Group has established an environmental management system and continually improves this system in accordance with applicable environmental policies and laws and regulations. We take concrete actions to protect the environment and carry out corporate environmental responsibility at each facility.

#### 2.2.1. Environmental Management System

WH Group has established environmental management structures with a clear division of responsibilities in all regions where it operates, and with effective mechanisms in place to supervise the implementation of environmental measures and review the progress of environmental targets. In addition, WH Group enables facilities to get certified on environmental management system to further strengthen relevant capabilities, and deepen environmental management awareness.

Environmental Accountability	Environmental Management System Certifications
<p>China: Shuanghui's Safety and Environmental Protection Center organizes and leads the subsidiaries to carry out environmental management work.</p> <p>The U.S. and Europe: Smithfield's regional directors of Environmental Affairs lead the environmental officers of local factories to implement environmental management work.</p>	<p>China: As of December 31, 2021, a total of 37 subsidiaries of Shuanghui had obtained ISO 14001 environmental management system certifications, and 100% of the operational hog slaughtering and packaged meats meat processing production bases had obtained ISO 14001 environmental management system certifications.</p> <p>The U.S. and Europe: All of our facilities (except new acquisitions and those where certification is not applicable) and all company-owned farms are ISO 14001:2015-certified.</p>

### 2.2.2. Wastewater Management

In accordance with the laws and regulations in the regions where we operate, such as the Water Pollution Prevention and Control Law of the People's Republic of China, Clean Water Act in the U.S., and The EU Water Framework Directive, WH Group has formulated and implemented a series of water management policies and systems, including the *WH Group Corporate Principles and Standardization of Wastewater Discharge Stations Safe Operations*. The Group continually reduces the amount or intensity of wastewater discharge through process innovations so as to mitigate impact to the environment.

WH Group's main sources of wastewater include meat processing, clean processing production plants, and domestic wastewater. The Group has taken measures across its global operations to manage wastewater discharge. In China, the main pollutants of Shuanghui's wastewater include chemical oxygen demand (COD), phosphorus, nitrogen, and suspended solids. Shuanghui implements strict management on the effectiveness of wastewater treatment and pollutant concentration of discharged wastewater, ensuring full compliance. During the Reporting Period, Shuanghui continued to upgrade wastewater treatment stations and optimize wastewater processes to improve the efficiency of pollutant treatment and reduce the pollutant concentration of discharged wastewater. In the United States and Europe, Smithfield reduces wastewater discharge by reducing wastewater generation and water consumption.

During the Reporting Period, WH Group discharged a total of 54.97 million cubic meters of wastewater and 61,179 metric tons of chemical oxygen demand (COD).

Shuanghui	Smithfield
<p>In 2021, Shuanghui upgraded its existing wastewater treatment stations and introduced new wastewater treatment processes and technologies in some factories with further optimized processes and improved treatment efficiency. In 2021, Shuanghui added an A/O treatment pool (anaerobic-anoxic process) to the second phase of the wastewater treatment station at its Huaian facility, which is more effective at removing organic matter and ammonia nitrogen in wastewater. In addition, it added a phosphorus and nitrogen removal process to its Nanning facility and a phosphorus removal system to its Shenyang facility.</p>	<p>In 2021, Smithfield launched a wastewater reduction project at its Wisconsin facility. The project reduces hot water consumption by 80% by regular cleaning of roller press and ready-to-cook slice departments from daily to weekly, in addition, it reduces the use of chemicals and, as a result, the amount of wastewater generated. Moreover, Smithfield has introduced a microbiological swabbing and analysis process to ensure that the food processing environment remains clean, while reducing frequency of cleaning.</p>



## 2. GREEN OPERATIONS (continued)



### 2.2.3. Emissions Management

WH Group strictly abides by all applicable laws and regulations in the regions where it operates, including the Air Pollution Prevention and Control Law of the People’s Republic of China, Clean Air Act in the U.S., and the Industrial Emission Directive. It has formulated and implemented relevant internal policies and systems, such as the *WH Group Corporate Principles* and *Code for Air Emissions Regulations*, to continuously improve emissions management and reduce the amount or intensity of emissions through process innovation.

We require all industrial sites to implement strict management of emissions data. Through continuous data collection and analysis, we capture the full picture of the current emission status and take appropriate management initiatives accordingly. In China, Shuanghui maintains online emissions monitoring and real-time monitoring of third-party testing data and makes timely responses to abnormal emissions. In addition, Shuanghui strictly reviews the relevant data required by government departments prior to submission to ensure the completeness and accuracy of the data. In the United States and Europe, Smithfield reports nitrogen oxides (NOx) and sulfur oxides (SOx) emissions to the U.S. Environmental Protection Agency and state regulatory agencies.

While implementing effective data management, WH Group carries out a series of actions to reduce emissions and their impact on the environment. To further reduce emissions of nitrogen oxides and particulate matters, Shuanghui has actively explored cleaner energy opportunities and adopted centralized heating to reduce boiler emissions. At the same time, Shuanghui has introduced a VOCs treatment system to improve treatment efficiency and reduce the concentration of VOCs. In the United States and Europe, Smithfield has carried out upgrading and optimization work at various production and processing stages to reduce emissions from operations.

Shuanghui	Smithfield
In 2021, we launched VOCs treatment upgrading projects at some facilities by upgrading the process from “active adsorption + CO catalytic combustion” to “rotary wheel concentration + RTO regenerative combustion” with further improved efficiency and reduced operating costs. The upgraded process, which has been put into operation, achieves emission levels that are far lower than the regulatory limits in Henan province for all indicators.	The team shortened product cook time by replacing clear casings with pre-smoked casings. The team also eliminated the use of wood chips, reducing energy use and air emissions.

The emissions of WH Group’s China operations during the Reporting Period are shown in the table below. For emissions information about the Group’s operations in the United States and Europe, please refer to the *2021 Smithfield Sustainability Impact Report*.

Place of operations	Type of emissions	Unit	2019	2020	2021
China	SOx emissions	Metric ton	48.91	44.70	35.92
	NOx emissions	Metric ton	161.68	132.84	131.51

## 2. GREEN OPERATIONS (continued)

### 2.2.4. Solid Waste Management

WH Group strictly abides by the Law of the People’s Republic of China on Prevention and Control of Environment Pollution Caused by Solid Wastes (2020 Revision), the Solid Waste Disposal Act in the U.S., the Waste Framework Directive, and other laws and regulations in the regions where it operates. Our subsidiaries have internal management policies and systems in place on solid waste. We have made clear the guiding principles on waste management in the *WH Group Corporate Principles*, and each operation site ensures local requirements are met on disposal of solid waste. During the Reporting Period, we established the management priorities and targets for solid waste by geographic areas to advance this cause effectively.

#### Solid waste management targets of WH Group<sup>4</sup>

<b>Shuanghui</b>	<ul style="list-style-type: none"> <li>By 2030, the comprehensive utilization rate of wastet<sup>5</sup> reaches 95% or above.</li> </ul>
<b>Smithfield</b>	<ul style="list-style-type: none"> <li>75% reduction in solid waste compared to a 2010 baseline and zero-waste-to-landfill certification at 75% of our U.S. facilities by 2025</li> </ul>

Shuanghui and Smithfield have developed targeted waste management methods based on their respective management directions and actions and carried out corresponding waste reduction initiatives.

Shuanghui determines and implements management measures based on the classification of hazardous and non-hazardous waste. For hazardous waste, Shuanghui not only strictly implements storage and disposal measures as required by the latest Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, but has also upgraded its hazardous waste<sup>6</sup> collection and storage facilities. It also transfers hazardous waste to qualified third parties for processing to limit the impact on the environment. For non-hazardous waste, Shuanghui actively adopts new processes and technologies to reduce the volume generated and improve recycling and treatment efficiency.

<sup>4</sup> In China, domestic waste disposal facilities are municipal infrastructures, and enterprises cannot independently choose domestic waste disposal methods, so the waste in Shuanghui’s target is only the waste generated during the production operation, excluding domestic waste.

<sup>5</sup> Waste does not include livestock and poultry manure.

<sup>6</sup> Hazardous waste in China refers to the waste listed in the National Hazardous Waste List. In the U.S., it refers to “Hazardous waste” and “Universal waste”, as defined by the National Environmental Protection Agency. In Poland, hazardous waste is defined in the 2010 National Waste Management Plan. In Romania, hazardous waste is referred to in the Consolidated European Waste Catalogue (CEWC).

### Solid waste management measures at operations in China

#### Reduce the volume of solid waste generated

- Reduce the volume of sludge generated through the use of new solid/liquid separation equipment.
- Reduce the volume of sludge generated by appropriately adjusting the wastewater treatment process according to the inlet water concentration.
- Implement harmless treatment by using high performance sludge filter press equipment to reduce sludge water content and sludge.

#### Improve recycling and disposal efficiency

- Recycle manure by collecting and treating poultry and hog manure and converting it into fertilizer.
- Add microbial strains to improve the anaerobic treatment efficiency.

Smithfield implements waste reduction initiatives through external cooperation. It has set a goal to achieve “zero-waste-to-landfill certification at 75% of U.S. facilities by 2025”. By the end of the Reporting Period, Smithfield had 21 facilities certified to “zero waste to landfill.”

### Solid waste management measures at operations in United States and Europe



#### External cooperation

Through strategic partnership, such as with Anuvia™ Plant Nutrients, we are utilizing organic matter in hog manure on our farms to create sustainable, commercial-grade fertilizers.

The partnership also offers a discount program for farmers using SymTRX™.

## 2. GREEN OPERATIONS (continued)

During the Reporting Period, WH Group's non-hazardous waste intensity maintained the same level as the prior two years. The non-hazardous recycling rate increased from 80% to 84%. Details are set out below:

Volume of recycled non-hazardous waste <sup>7</sup>		2019	2020	2021
Unit				
Scrap metal	Metric ton	12,201	18,605	12,146
Waste plastic	Metric ton	4,425	7,892	7,845
Wastepaper	Metric ton	40,706	37,265	48,591
Coal cinder	Metric ton	6,344	4,900	5,003
Hog manure, sludge and other organic matter	Metric ton	240,170	191,780	244,999
Total	Metric ton	303,846	260,442	318,585

Volume of disposed non-hazardous waste <sup>8</sup>		2019	2020	2021
Unit				
Total	Metric ton	60,768	53,736	59,798
Intensity of non-hazardous waste disposal	Kilogram per metric ton of products produced	6.4	6.2	6.4

Volume of disposed hazardous waste <sup>9</sup>		2019	2020	2021
Unit				
Total	Metric ton	1,698	799	508
Intensity of hazardous waste disposal	Kilogram per metric ton of products produced	0.18	0.09	0.05

In 2021, in accordance with the Law of the People's Republic of China on Prevention and Control of Environment Pollution Caused by Solid Wastes (2020 Revision), the Solid Waste Disposal Act in the U.S., the Waste Framework Directive, and other laws and regulations, we reorganized the solid waste categories and revised waste disposal amounts of for 2019 and 2020.

<sup>7</sup> Excludes hog farms in the U.S.

<sup>8</sup> Excludes hog farms in the U.S.

<sup>9</sup> Excludes hog farms in the U.S.

### 2.3. Resource Management

Effective and efficient resource management is foundational to building a sustainable industry chain for WH Group. The Group attaches great importance to the protection of water resources and the economical use of packaging materials. It actively applies innovative technologies and introduces environmental protection equipment to reduce the use of resources in the production and operation process while ensuring product quality. At the same time, WH Group has carried out multiple resource conservation projects in cooperation with industry partners and communities in the performance of its corporate social responsibility to environmental protection.

#### 2.3.1. Water Resource Management

WH Group strictly abides by the relevant laws and regulations in the regions where it operates, including the Water Law of the People's Republic of China, Clean Water Act in the U.S., and Water Framework Directive, and has formulated the *WH Group Corporate Principles* to provide working guidance on water resource management. WH Group continuously monitors the use of water resources and sets water resource management targets based on factors, such as historical data and planned output, to strengthen water resource management capabilities and effectively improve water resource utilization efficiency.

##### Water resource management targets of WH Group

<b>Shuanghui</b>	<ul style="list-style-type: none"> <li>By 2030, reduce water consumption by 10% per unit of main product compared to a 2019 baseline.</li> </ul>
<b>Smithfield</b>	<ul style="list-style-type: none"> <li>Reappraise Smithfield's U.S. water supply footprint and adopt internationally recognized water management standards by 2025.</li> </ul>



## 2. GREEN OPERATIONS (continued)

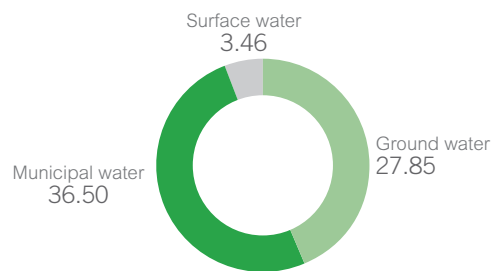
WH Group implements water risk management in all regions where it operates and has risk response plans in place based on potential water resource risks. The Group actively adopts water-saving equipment, applies water-saving technologies, and has launched various cooperation programs to reduce water consumption.

As a result of our various efforts, our water efficiency performance has improved in the past three years. The water consumption of the Group during the Reporting Period is shown below:

Water consumption	Unit	2019	2020	2021
Consumption of freshwater	Million cubic meters	70.87	67.95	67.81
Water consumption intensity	Cubic meters per metric ton of products produced	7.44	7.85	7.28

The Group's water consumption by type during the Reporting Period is shown in the figure below. In addition, the Group continues to promote the reuse of water resources, reclaiming a total of 5.53 million cubic meters of water.

**Types of water consumption in 2021 (in million cubic meters)**



### Risk Management

- WH Group launched a watershed analysis project across its U.S. supply chain and is implementing water conservation actions according to water-related risks.
- WH Group has formulated an Emergency Plan for its China operations in areas with high water resource risks. It has appointed an emergency taskforce to respond to emergencies in a timely manner. Measures include constructing running water storage tanks and autonomous pumping stations equipped with double-loop water supplies and 24-hour shifts to minimize water resources risks.



### Water-saving equipment

- Smithfield installed “smart valves” at its Monmouth facility, which can reduce water use by up to 840 metric tons annually.
- Shuanghui has optimized and updated water-using equipment including refrigeration, packaged meats sterilization, and processing line showering to reduce water consumption.



### Technology applications

- Shuanghui actively promotes electrochemical water treatment to strengthen the recycling of water resources.
- Shuanghui has carried out projects such as sterilization heat recovery to reduce water consumption.



### External cooperation

- As part of the SmithfieldGro initiative, Smithfield works with farmers in its agricultural supply chain to reduce pesticide water pollution and soil erosion while protecting water resources.
- Smithfield's facility in Tar Heel, North Carolina, established a new surface water plant in cooperation with local water authorities to reduce the use of groundwater.

## 2. GREEN OPERATIONS (continued)

### 2.3.2. Packaging Material Management

Implementing standardized controls to reduce the impact of packaging materials on the environment is a priority for WH Group. The *WH Group Corporate Principles* provides a clear packaging material management strategy of reducing the use of packaging materials to promote consumption reduction, weight reduction, and recycle methods, without compromise on the safety and reliability of packaging materials. WH Group continually monitors the development of biodegradable packaging materials and plastic alternatives with a view toward introducing them when appropriate. Smithfield has already set an action goal for packaging materials to achieve 90% recyclable, reusable, or industrially compostable consumer packaging by 2030.

WH Group's consumption of packaging materials during the Reporting Period is shown below:

Packaging material consumption	Unit	2019	2020	2021
China	Metric ton	233,187	226,695	192,315
United States	Metric ton	228,787	213,916	306,628
Europe	Metric ton	135,563	152,631	131,278
Total	Metric ton	597,537	593,242	630,222
Intensity of packaging material use	Metric ton per metric ton of production	0.06	0.07	0.07



#### Consumption reduction

Smithfield launched a packaging box redesign project at its Romania operations to further optimize cardboard use and reduce consumption. This project can promote cardboard reduction of 27,558 pounds per year.

Shuanghui has optimized the internal packaging of fairly soft products from four-layer to three-layer composite packaging, which reduces the consumption of raw materials by **14%**, while also reducing the consumption of one layer of adhesive.



#### Weight reduction

Shuanghui optimizes existing low-grade high-grammage paper by introducing high-grade low-grammage base paper to reduce the consumption of base paper.

In addition, it recycles square bottom bags, which reduces resin consumption by **11%**.



#### Recycle

Shuanghui has achieved recycling of plastic composite packaging based on research on single-material packaging.



In 2021, total packaging consumption in China and Europe saw a significant decrease compared to 2019 and 2020. Additionally, our U.S. operation refined its overall packaging management system. The packaging material data in the U.S. was collected from our suppliers previously. To improve the traceability and data accuracy of packaging materials, Smithfield established an internal packaging material tracking system in 2021 to collect more data on the use of packaging materials, achieving dynamic management of all packaging material-use data. Therefore, the rise in packaging material consumption in the U.S. in 2021 was partly due to improved data collection processes. However, the Group's overall consumption intensity of packaging materials remained the same as the previous year. In the future, WH Group will further strengthen packaging material management capabilities in all operation sites. We strive to achieve our packaging action goals by promoting consumption reduction, weight reduction, and recycling methods for packaging.

# 3

## HARMONIOUS SOCIETY

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### 3. HARMONIOUS SOCIETY (continued)

As a leading multinational food company, we are committed to fulfilling our corporate social responsibility to provide high-quality, reliable products to the public while building a responsible supply chain, caring for employee development, and implementing social programs.

#### 3.1 Quality Management

Food safety and quality are of the utmost importance to our consumers, and a top priority for WH Group as well. We are committed to providing consumers with delicious, safe and high-quality protein products. During the Reporting Period, WH Group issued the *Corporate Principles of WH Group*, which outlines its commitments on food safety and product innovations with nutritious and healthy attributes, including specific requirements to strengthen our quality assurance systems, product supply, and testing standards.

We aim for zero product recalls and zero quality accidents in our operations. Customer and consumer interests are our top priority in our decision-making process. In the event of any suspected issue that may impact our product, we shall take immediate action to voluntarily recall products in a timely manner, with zero tolerance for exceptions.




**Targets**




Zero accidents, zero recalls

#### 3.1.1 Food Safety and Health

Food safety is closely related to the health and safety of every consumer. The Group strictly manages and continually invests in all aspects of business operation and production. We have put in place a systematic quality control system over the years in strict compliance with the Food Safety Law of the People's Republic of China; the Animal Epidemic Prevention Law of the People's Republic of China; the Federal Food, Drug, and Cosmetic Act of the United States; the laws and regulations of the United States Department of Agriculture; and other relevant authoritative bodies in the regions where we operate. Our quality control system covers the entire process, from feed production to livestock and poultry breeding, to meat processing, transportation, and delivery. It provides a full range of effective and high-standard management practices that take into account the safety characteristics and priorities of each activity and implements mechanisms to continually identify and prevent food safety issues.



**Targets**



During the planning phase of new facility construction, WH group is keen to allocate sufficient resources to have them certified to the ISO 22000 food safety management system, ISO 9001 quality management system, HACCP, and related or similar management systems.



### 3. HARMONIOUS SOCIETY (continued)

#### Quality Control Structure and System

WH Group continually promotes the implementation of risk prevention and control as well as food quality and safety measures through a multi-level management system. The Food Safety Committee, which has been in operation for many years under the Board, is responsible for formulating policies related to product quality and safety and for identifying, assessing, and determining the food safety situation; coordinating food safety management; and monitoring product traceability capabilities. We have also established a multi-level management system responsible for the implementation of food safety controls at our subsidiaries.

In China, our facilities are certified with the ISO 9001 quality management, HACCP, and ISO 22000 food quality and safety management systems. As of December 31, 2021, 40 of Shuanghui's 41 factories were certified with the ISO 9001 quality management system; 30 factories held ISO 22000 food safety management system or HACCP system certification; and factories that have not yet been certified have been managed according to related system standards, getting prepared for the certification process. All 25 slaughtering facilities and packaged meats factories in operation in Shuanghui have received quality and food safety management system certifications (ISO 9001 and ISO 22000). In addition, Shuanghui's newly built and operational poultry slaughterhouse has been certified by the FSSC 22000 food safety system, the pollution-free agricultural product certification program, and the export filing review mechanism. Additionally, its high-temperature packaged meat product factory was certified by the British Retail Consortium (BRC) Global Standard, Marine Stewardship Council (MSC) and Marine Stewardship Council (ASC) standards, and other related certifications.

In the U.S. and Europe, we have food safety policies and procedures in place and running as the operational basics and norms for regular food quality and safety management. At the same time, we employ the HACCP analysis framework to strengthen the management of critical control points. Smithfield's facilities in the U.S. and Europe are all audited by the Safe Quality Food Institute (SQF), and are GFSI certified. In Poland, our farms, warehouses and rendering plants are IFS and BRCGS certified. In Romania, our packaged meat division is IFS and BRCGS certified, and all rendering facilities, warehouses and farms are ISO 22000 certified.

We have more than 100 production facilities globally that have successfully certified or reached equivalent standards. During the new plant construction planning phase, we aim to allocate sufficient resources to ensure that the relevant plant is certified on food safety management, quality management, and other relevant certification programs during the very early stages.

Shuanghui	Smithfield
<p><b>Food Safety Management Committee</b></p> <p>Identifies, assesses and determines the food safety incidents, and coordinates food safety management.</p> <hr style="width: 20%; margin: 10px auto;"/> <p><b>Food Safety Group</b></p> <p>Oversees the implementation of food safety control measures in all aspects.</p> <hr style="width: 20%; margin: 10px auto;"/> <p><b>Food Safety Oversight Group</b></p> <p>Food Safety Oversight Groups are set up in departments such as quality management, inspection, and audit to implement food safety control measures in all aspects.</p> <hr style="width: 20%; margin: 10px auto;"/> <p><b>Food Safety and Quality Inspection Team</b></p> <p>The Food Safety and Quality Inspection Team is set up to regularly conduct inspections at factories. Those who do not meet the standards of inspection will have limits set on their production and be required to conduct rectification.</p>	<p><b>Food Safety and Quality Assurance (FSQA) Management System</b></p> <p>Smithfield has a Vice President in charge of food safety and quality for its U.S. operations, who leads 4 FSQA Directors and 12 FSQA Managers under a multi-level supervision and reporting mechanism that covers Smithfield's more than 40 facilities across the U.S..</p> <p>In Poland, a Managing Director of Quality Assurance leads:</p> <ul style="list-style-type: none"> <li>• 12 Factory Quality Managers</li> <li>• 2 Product Quality Export Coordinators</li> <li>• Quality Management Coordinator</li> <li>• Quality Management System Coordinator</li> <li>• Microbiology and Food Chemistry Coordinator</li> <li>• Continuous Improvement Coordinator</li> </ul> <p>Process Quality Manager</p> <p>In Romania:</p> <p>Quality Manager:</p> <ul style="list-style-type: none"> <li>• Quality Assurance Coordinator</li> <li>• Food Safety and Animal Welfare Manager</li> <li>• Quality System Coordinator</li> <li>• Quality Labelling Coordinator</li> </ul>



### 3. HARMONIOUS SOCIETY (continued)

#### Supplier Quality and Safety Management

Ensuring the quality and safety of raw materials for our products sets the foundation for effectively protecting the rights and interests of consumers. Through our rigorous supplier management system, raw material procurement system and strict testing procedures, we ensure that all purchased livestock and raw materials meet the robust quality requirements of WH Group. Our quality requirements cover the use of antibiotics, pesticide residue testing and the use of additives, as well as meet the testing indicators and standards in the markets where our products are supplied.




**Commitment**



We do not use genetically modified hogs or poultry as raw materials, and all company owned hogs are non-genetically modified, of fine strains, and carefully raised.

In China, we apply strict controls to hog procurement by complying with our “Six Rejections and Five Defenses” principles. To further ensure the safety of raw meat materials, Shuanghui adopted more stringent sampling testing methods than the national standards, by implementing testing of every procured hog at its factories since 2011.



**Six Rejections**

- Rejecting hogs not certified, not fully certified, or without matching certificates

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- Rejecting hogs with toxic and harmful substances (such as clenbuterol hydrochloride and ractopamine)

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- Rejecting hogs infected with or suspected of African swine fever or other epidemic diseases

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- Rejecting hogs dying from diseases or unknown causes

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- Rejecting hogs fed with swill or infused with water or injected with other substances

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- Rejecting breeding boars and sows, late surgically castrated pigs, and free-range pigs

#### Shuanghui Five Defenses in hog procurement management




**Line of defense 1**

clenbuterol sampling and body surface examination at suppliers' pig farms




**Line of defense 2**

on-site animal inspection — animal origin inspection




**Line of defense 3**

on-site animal inspection — ex-factory inspection



**Line of defense 4**

on-site animal inspection — quality inspection before weighting



**Line of defense 5**

one-by-one hog testing on production lines

Shuanghui requires each supplier to sign a *Statement on Live Hogs Supplied*, which subjects the supplier to a full range of stringent requirements aspects such as the use of feed, additives and drugs, including the prohibition of toxic and harmful substances such as clenbuterol (including but not limited to clenbuterol hydrochloride and ractopamine). In addition, Shuanghui established a supplier compliance information system with a hierarchical management structure, which rates suppliers according to their performance in terms of monthly delivery quality and the number of hogs supplied. By prioritizing those with high cooperation ratings, suppliers are guided to provide high-quality hogs. Through a comprehensive set of procurement and testing measures, we ensure that our raw food materials comply with laws and regulations and other policies in the People's Republic of China.

In the U.S., Smithfield manages suppliers in accordance with its *Supplier Policy*, under which suppliers are subject to annual Global Food Safety Initiative (GFSI) certifications or equivalent third-party food safety and quality audits. At the same time, Smithfield has developed a supplier performance evaluation system to evaluate the product quality performance of key suppliers on a monthly basis, with KPIs including HACCP compliance, quality planning, foreign material control and shelf life performance. In addition, we use product SKU and code date information to trace product-related information.

### 3. HARMONIOUS SOCIETY (continued)

#### Production Control

WH Group's food safety and quality control system covers all aspects of production. Management processes reflect the food safety characteristics and priorities of each stage to ensure product quality throughout the entire production process.

In China, we implement routine inspections under our internal three-level<sup>10</sup> food safety accountability mechanism and encourage employee engagement in quality management to foster a quality culture. In accordance with the *Meat Products Production Safety Inspection Guidelines* and the *Notice on Strengthening the Quality Control of Meat Products*, and other internal policies, we implement a comprehensive model combining special inspections conducted by quality control officers and self-inspections conducted by production units for packaged meat products, specifying 80 items of special inspections by quality control officers and 128 items of self-inspections by production units.

We have simultaneously developed a detailed testing system for raw materials and products, adopting a head office-subsi-diary and a two-level quality testing model to ensure product quality. Using advanced testing instruments and facilities such as a time-of-flight mass spectrometer and a gas-quality spectrometer, we test 876 parameters — including physico-chemical properties, microorganisms, veterinary drug residues, heavy metals, prohibited substances, mycotoxins, and genetic modifications — to ensure the quality and safety of products shipped and delivered.

In the U.S. and Europe, we actively communicate with local regulatory agencies, participate in relevant food safety programs, and have passed food safety audits by relevant agencies. For example, Smithfield's facilities in the U.S. have passed federal and state food safety audits, and we continue to cooperate with and participate in projects with the U.S. Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) that are aimed at improving food safety and increasing consumer protection. During the Reporting Period, we updated our overseas quality and safety standard operating procedures (SOPs) and tested our products and feeds through our food safety laboratories to ensure compliance. In the future, we plan to recruit food safety planning specialists and establish a food quality internal audit mechanism to further improve product quality control.

#### Product Recalls

To respond to the occurrence of potential product quality and safety incidents and to better protect consumers' interests and rights, WH Group and its subsidiaries have formulated effective product recall systems to ensure recalls are implemented in a timely and correct manner.

In China, our *Food Recall Management Measures and Standard Operating Procedures for Product Recall* clearly stipulate the requirements and procedures for product recall, such as food safety risk assessment, recall process, management evaluation, review and so on. We also have a product traceability platform that controls all aspects of product procurement, production, transportation and sales, and also tracks products as they are distributed, which ensures the accurate and rapid implementation of recalls should they occur.

In the U.S. and Europe, our *Product Recall Policy* prescribes clear withdrawal or recall control requirements for all products that do not meet our internal control standards, are unsafe or could cause harm to consumers. We have developed and implemented a food safety and quality assurance (FSQA) scorecard for our fresh and packaged meat operations to track and deliver monthly reports on facility-level compliance and improvements on key quality metrics, such as customer complaints, recalls, and shelf life.

During the Reporting Period, the Group initiated a total of 10 recalls<sup>11</sup>, including four recalls due to the impact of an African swine fever epidemic that affected our facilities in Europe with no relations to food safety, three recalls due to salmonella risks, one recall due to excessive levels of ethylene oxide, one recall due to incorrect expiration date labeling, and one voluntary recall in the U.S. due to potential *Bacillus cereus* risks. As soon as a problem with a product is identified, we take immediate, proactive action to quickly withdraw all affected product batches from points of sale. All recalls in the Reporting Period were proactively and properly handled without causing any food safety or public health incidents.

#### Food Quality and Safety Training

Our commitment to product quality and safety depends on the knowledge, skills, and conscientious performance of our employees. WH Group understands the importance of building a quality-focused culture through skills training and awareness-building. We provide employees and suppliers worldwide with training that covers a comprehensive range of areas to enhance the skills and awareness of front line employees, including HACCP compliance, product handling procedures, quality attributes, the Safe Quality Food (SQF) standard, the BRC Global Standard, and/or International Featured Standard (IFS).

Region	Food Quality and Safety Training
China (Shuanghui)	4,273 training sessions trainings with a total attendance of 415,000
U.S.	2,370 training hours in total
Europe	2,716 training hours in total

<sup>10</sup> Project manager, deputy manager, and department head

<sup>11</sup> Losses of 0.001% of total revenue.

### 3. HARMONIOUS SOCIETY (continued)

#### 3.1.2 Innovation and Nutrition

To meet the evolving needs of consumers for high-quality protein products, especially when considering the lifestyles of younger consumers, WH Group is committed to product innovation. We constantly improve our R&D and innovation capabilities to create innovative products and nutritional solutions that meet the needs of the times. During the Reporting Period, we invested US\$179 million in product research and development.

#### R&D and Innovation

In 2021, WH Group continued to enhance its R&D and innovation capabilities and brought consumers new products that offer new tastes, fall into new categories, or are manufactured by new processes.

In China, we have established R&D centers and specialized research institutes which focus on different research fields such as hog production, slaughtering, packaged meats processing, central kitchen, flavors, fragrances, and biochemical pharmaceuticals. We also have a regional R&D department on Shuanghui's major campus. Our core R&D force has more than 200 people. At the same time, we have maintained in-depth cooperation with universities and research institutes and have undertaken a total of six national and provincial scientific research projects and five collaborative research projects with well-known universities and research institutes in China.

#### Henan Technology Innovation in the Meat Products Center

In 2021, the Henan Innovation in Meat Product Center initiated by WH Group's subsidiary Shuanghui was inaugurated, becoming the first center for technological innovation in meat processing in Henan. The research center — jointly established with universities, research institutes, and producers along the meat processing industry chain including the China Meat Research Center, Henan Agricultural University, and Firmenich Aromatics (China) Co., Ltd — aims to build a first-rate packaged meat R&D, talent development, and engineering platform, make breakthroughs in key technologies, and drive innovation and R&D-induced transformation in the industry.

In the U.S. and Europe, our guiding principles of Responsibility, Operational Excellence and Innovation (ROI) encourage employees to continuously improve and innovate to increase operational efficiencies and implement sustainable improvements across our business. In addition, we actively explore the applications of porcine bioproducts to maximize their value. Our Smithfield Bioscience unit is one of the largest U.S. manufacturers of heparin. In 2021, its heparin production capacity increased by 10 times. In addition to heparin, we have explored innovations in other therapeutic areas, such as the commercialization of porcine-derived active pharmaceutical ingredients (APIs) and small intestinal submucosa (SIS) extracellular matrix (ECM), which can be used in regenerative medicine and wound healing.

#### Nutrition and Health Products

WH Group actively promotes product innovation and provides consumers with a variety of product choices to suit different diets and needs. During the Reporting Period, we continued to increase investment in R&D on new products focused on various consumer needs in different regions to further meet consumer demand while diversifying our product offerings. In China, we actively responded to the "Healthy China" strategy by expanding products in new categories such as catering and Chinese-style pre-prepared meals, and also launched products that are organic and lower in sugar, fat and sodium without compromising the traditional flavors our consumers know and love. To accommodate market demand for vegetarian meat substitutes, we also set up a research institute on the subject and launched products such as Shuanghui's "Vegetarian World" plant-based meat products.

In the U.S., to meet consumer demand for products with healthy attributes, we simplified our formulations and pledged to reduce sodium and added sugars by 10% across our entire product line by 2025. We have already achieved a reduction in added sodium content of up to an average of 20% in certain product lines. Additionally, we continually optimize ingredient compositions by, for example, adding natural ingredients to products in place of traditional additives, using non-genetically modified organism (GMO) soybeans to reduce saturated fat, and reducing the use of allergenic raw materials, such as wheat, sesame, oats, rye, and rice flour.

While advancing product R&D, WH Group is a practitioner of cleaner labels. We have actively adopted internationally or intergovernmentally recognized labeling standards. We disclose information about the raw materials and nutrient compositions of our products and explain the nutritional information and characteristics of food through transparent, easy-to-read product labels to help consumers make informed purchase decisions for healthy diets.

**QING KA NENG LIANG**  
sausage: reduced fat,  
reduced sugar, and  
reduced sodium

**Healthy Ones lunch meat:** low  
sodium and low fat





### 3. HARMONIOUS SOCIETY (continued)



#### 3.1.3 High-Quality Service

WH Group is committed to providing the best product and service experience for our clients and consumers around the world. We have made continual efforts to improve our consumer service system and have implemented comprehensive measures to ensure compliance of advertising and promotional activities; to guide rational consumption; and to keep improving customer experience and satisfaction.

##### Customer Services

In China, we have an efficient after-sales service system established in accordance with the Law of the People's Republic of China on Protection of the Rights and Interests of the Consumers as well as internal policies — such as *Standard Operating Procedures for Processing Customer Complaints and Working Procedures for Product Quality Information Feedback* — to ensure standardized management of customer complaints. We have also actively expanded our consumer complaint channels to provide immediate and effective responses to complaints received on third-party social media platforms such as Weibo, Black Cat, and Douyin.

During the Reporting Period, Shuanghui conducted two comprehensive satisfaction surveys on distributors and consumers in China. The distributor satisfaction survey covers six subjects including product quality, product price, product packaging, product distribution, policy support, and market services. The consumer satisfaction survey covers product quality, awareness of the Shuanghui brand, product packaging, product flavor suitability in the local area, product price, and after-sales service. Distributor satisfaction rates and consumer satisfaction rates were 84.24% and 85.23% respectively in the first six months of 2021 and 84.52% and 84.48% in the later half of 2021. To ensure we integrate customer and consumer suggestions into product development, production, and sales services, we analyzed the items where scores were low and developed improvement plans and actions.

In the U.S. and Europe, we maintain smooth communication with our customers via hotline, email, social media, and mailings. We measure customer satisfaction by evaluating customer and consumer complaints, entering each complaint into a database and evaluating overall performance through data tracking and forecasting. In 2021, customer and consumer complaints were down 8% from 2020 in the U.S., 20% in Poland and 13% in Romania.

During the Reporting Period, the number of complaints WH Group received was 42,986. The complaint handling rate was 100%.

##### Responsible Marketing

WH Group complies with the laws and regulations of the places where we operate and respects local consumer habits while promoting rational consumption concepts. We ensure that consumers' personal information is protected in accordance with the law when they purchase products and receive services.

In China, we abide by the Advertising Law of the People's Republic of China and do not engage in advertising or marketing activities that are misleading or biased. To better manage marketing activities, we have established a set of marketing, advertising and sales-related systems and update them every year to ensure that all our marketing campaigns and promotions are subject to internal review. Our product labels are clear, objective and transparent.

We also strictly abide by the E-commerce Law of the People's Republic of China. Dedicated employees are assigned for recording and archiving relevant consumer information. Unauthorised screenshots taking and forwarding, sharing, or otherwise disclosing any consumer information are prohibited. In addition, we provide employees with annual training on consumer privacy protection, requiring employees to improve their awareness of privacy protection, consciously take

### 3. HARMONIOUS SOCIETY (continued)

responsibility for protecting consumer privacy in their daily work, and build an attentive and reputable service team. During the reporting period, there were no litigation incidents in our business in China due to leakage of customer privacy or business information.

In the U.S. and Europe, we abide by local laws and regulations related to consumer privacy, including the EU General Data Protection Regulation (GDPR) and the California Consumer Privacy Statement (CCP). We only collect consumer information that is necessary for specific purposes, and customers can choose to unsubscribe from marketing emails or request not to disclose their personal information. As we increase marketing activity in target markets, we continually strengthen operational and technical measures to ensure the security of consumers' personal information. In the U.S., all of our products marked as "natural" have been approved by the U.S. Department of Agriculture (USDA) to use the "natural" label statement or meet the USDA definition of a minimal processing with no artificial ingredients.

#### 3.2 Value Chain Management

We are committed to building a sustainable supply chain that ranges from procurement of livestock, poultry, and raw materials on the upstream to cooperation with logistics, distribution and retailing partners on the downstream. We strive to do our part to promote the sustainability of the industry chain and provide consumers with high-quality, nutritious and delicious protein choices.



#### 3.2.1 Animal Care

As the world's largest hog and pork products producer, WH Group is committed to animal care and ensuring animals are treated with respect throughout their lives. In addition, we require suppliers to share our values to ensure the sustainable development of the industry.

##### Animal Welfare

WH Group has developed its animal welfare policies in accordance with the Animal Welfare Standards of the World Organization for Animal Health, the Quality Standards of the U.S. National Pork Producers Council, the U.S. Transport Quality Assurance, and the EU Animal Welfare Quality Assessment System. It makes animal care a basic requirement in business operations and promotes the formulation of animal welfare standards in the industry.

In China, we revised our *Animal Welfare Manual* and *Animal Welfare Guide for Slaughter and Processing* by improving relevant processes, upgrading and optimizing equipment, and applying new technologies to improve our animals' quality of life while improving product quality. In addition, we provide special animal welfare training for employees in related positions to increase their animal welfare awareness.

##### Animal welfare principles of Shuanghui



Maintain the nutritional needs and health and vitality of animals by making readily available water and food as well as other conditions that meet basic physiological needs



Provide a safe and comfortable shelter where animals display healthy and comfortable behaviors (including activity, rest, and social behavior) and are protected from harsh weather



Provide required treatment to alleviate pain from diseases and implement appropriate pain management techniques if necessary



Avoid unnecessary long-distance transportation



Implement humane handling and slaughter

### 3. HARMONIOUS SOCIETY (continued)

Smithfield was one of the earliest advocates and leaders in animal welfare in the industry. It established a corporate-level Animal Care Committee in 2002 and has implemented an Animal Care Management System and Animal Care Policy. Smithfield's management system for animal welfare complies with the guidelines of the U.S. National Pork Board (NPB) Pork Quality Assurance® Plus (PQA® Plus) program, the Common Swine Industry Audit (CSIA), and the EU animal welfare standards in addition to local laws and regulations. We have also subscribed to the U.S. Department of Agriculture's Process Verified Program (PVP) by requiring all U.S. suppliers to ensure animal welfare in their management and pass the PQA® Plus certification. Additionally, every employee is responsible for ensuring that Smithfield's animal care standards and comprehensive Animal Care Policy are upheld.

95% of the Group's animal production business was in the U.S. and Europe, and it is expanding in China. To summarize, hogs produced by WH Group account for about 45% to 50% of its total harvest volume. We actively provide guidance on animal welfare to partner hog producers or farms and require compliance with relevant norms. Our animal management processes include disease prevention, regular veterinary care, biosecurity, and safe, comfortable housing. Through them, we also provide operators with induction training and routine training on animal welfare best practices.

#### Animal Production Safety

In the U.S. and Europe, while complying with the requirements of local animal welfare regulations, we have adopted group housing systems on company-owned farms to provide space for communication and interaction between animals. We've also taken measures to improve the barn environment and are assessing the benefits of enrichment, such as providing toys to stimulate animals. During the Reporting Period, we partnered with Iowa State University to explore environmental enrichment optimization at different stages of production.

In China, we have implemented automated farming and environmental optimization initiatives, such as providing animals with a clean environment with suitable light, temperature, and humidity. In addition, we provide hogs with scientifically formulated feed at appropriate feeding frequencies, as well as ample drinking water, to ensure that animals have a comfortable, safe, and hygienic living environment, reduce disease incidence, and improve survival rates.



### 3. HARMONIOUS SOCIETY (continued)

#### Poultry Welfare

- **Physiological wellbeing:** Equip water processors to soften water quality and improve drinking water quality for chickens; adjust the height of the waterline according to the chickens' age to ensure the comfortable drinking; adjust the nutrient level of feed according to age to meet growth needs and avoid hunger, thirst, malnutrition, or dehydration; regularly clean the waterline to avoid microbial reproduction and ensure water quality and hygiene.
- **Environmental wellbeing:** Establish standard operating procedures for ventilation in commercial chicken breeding, and protect chickens from harsh weather through appropriate measures such as cooling and heating; set up holding sheds for the chickens waiting to be harvested to protect them from exposure to the elements; equip holding sheds with ventilation and spray cooling systems; equip chicken transport vehicles with insulated facilities to keep the chickens comfortable.
- **Hygienic wellbeing:** Strictly implement epidemic prevention procedures to protect animal health; formulate cleaning and disinfection specifications when shelters are empty; ensure a clean living environment for the chickens through inspections.
- **Behavioral wellbeing:** Set chicken coops at appropriate heights to ensure that the chickens can move freely and feed when they reach the maximum days of age; set holes in the bottom of the coops to ensure that the chicken's feet are not harmed; ensure that the equipment and facilities are non-toxic and harmless.
- **Psychological wellbeing:** Catch chickens under low-light conditions to reduce fear and distress; put chickens on harvest lines equipped with massage boards under soft blue light to keep chickens comfortable and reduce stress.

#### Feed Safety

We attach great importance to the safety of animal feed and have established comprehensive feed safety regulations and testing methods, with mechanisms in place to continually improve and optimize feed composition and ensure feed safety.

In China, we have formulated and followed our internal policies such as *Feed Processing Instructions*, *Feed Recycling Machine Handling Management Practices* and *Non-conforming Product Recall System* and have strictly implemented the *Standard Operating Procedures for Nonconforming Feed in the Processing Process* to ensure feed safety and quality.

In the U.S. and Europe, we reviewed and revised food safety policies for all feed mills, updated their food safety plans, and conducted daily testing and reporting of trace ingredients and ingredient data for feed, as well as aflatoxin and vomitoxin from feed grains, to ensure feed safety, animal safety and health.

#### Animal Transport and Harvest

We also have detailed animal welfare requirements on animal transport and provide a safe and comfortable environment for them.

In China, our policies, *Animal Welfare Manual* and *Animal Welfare Guide for Slaughter and Processing*, require keeping animals in a comfortable state during rearing, transportation, and harvest. We practice humane harvest, and for pigs, we use advanced carbon dioxide stunning or electrical stunning technology to avoid as much distress as possible. For poultry, we set up holding sheds equipped with ventilation and spray cooling systems for chickens waiting to be harvested, and place chickens on harvest lines equipped with a massage board to keep them comfortable throughout the process.

In the U.S., all drivers who transport our animals must be trained and certified under the National Pork Board's Transport Quality Assurance program, which provides education and guidelines on all aspects of hog handling and transportation. While we primarily use CO<sub>2</sub> anesthetizing, we do use electrical stunning at one recently acquired sow harvest facility in Iowa. This method is recommended and published by the NAMI as an effective method to comply with federal humane slaughter regulations.

#### Antibiotic Use

Resistance to drugs caused by the improper use of antibiotics have received wide attention from all sectors of society. WH Group places great importance on the judicious use of antibiotics and is committed to providing consumers with safe, high-quality pork and packaged meat products by protecting animal health. We provide animals with a hygienic living environment, nutritious feed and clean drinking water, thus reducing disease incidence. We also follow veterinary guidelines by conducting regular preventive health check-ups to identify potential health threats, and use vaccines and antibiotics with caution.

In addition, our subsidiaries require all company and contract suppliers to strictly comply with the relevant antibiotic-use policies, and use antibiotics responsibly to promote a high level of animal health and food safety. During the Reporting Period, our antibiotic usage was 272.46 mg/kg in China, 246.92 mg/kg in the U.S., and 205.03 mg/kg in Europe.



#### Commitment



Antibiotics and other drugs are used solely for the purpose of treating animal diseases, which follow strict veterinary approval procedures as required by laws and regulations.

### 3. HARMONIOUS SOCIETY (continued)



In China, Shuanghui has gradually reduced or discontinued the use of some antibiotics in accordance with the requirements of Document No. 194 of the Ministry of Agriculture and Rural Affairs issued in 2019. During the Reporting Period, Shuanghui updated and improved a number of policies and processes for veterinary drug management and, in particular, implemented the Antibiotic Reduction Plan in the breeding of white-feathered broilers, in efforts to gradually reduce and discontinue some antibiotics. At present, antibiotics such as enrofloxacin, erythromycin thiocyanate, and ceftiofur have been discontinued. At the same time, Shuanghui has conducted active research on antibiotic alternatives and used substances such as acidulants and microecological preparations to reduce the use of antibiotics. During the Reporting Period, WH Group had no cases of illegal antibiotic residues in sold hogs and met the national standards on other antibiotic indicators.

In the U.S., Smithfield has voluntarily aligned its antibiotics policy with the FDA's guidelines since 2015. As the first U.S. hog producer to voluntarily, publicly report antibiotic use, Smithfield tracks and discloses the number and pathways of its antibiotic use each year. Smithfield's Antibiotics Task Force, a cross-functional group composed of employees from hog production, corporate affairs, food safety and quality, as well as sales and marketing, works to find ways to maintain Smithfield's responsible leadership position on antibiotics.

#### Biosecurity

Biosecurity is not only vital to our business; it also supports our efforts to help feed a growing world population, provide jobs in our communities and sustain other businesses in our supply chain. WH Group has always placed biosecurity in an important position and is committed to investing in biosecurity and implementing refined management to ensure the healthy and stable development of the industry.

Smithfield's biosecurity policy covers the animal-production process at individual farms and is strictly enforced at all our company-owned and contract grower farms. During the Reporting Period, we made significant investments in biosecurity and implemented dry shower systems, truck and trailer cleaning, as well as ventilation and filtration systems to improve the living environment of animals. There were no cases of African Swine Fever (ASF) at Smithfield's U.S. operations but there were two recalls each at its Romania and Poland operations due to ASF.

In China, we continually improve our operations according to the laws and regulations on ASF prevention and control as they are amended from time to time as well as other applicable national and industry requirements. We draw upon best practices of leading companies in the industry and set up off-site pretreatment points, hog transfer stations, reserve breeding pig isolation houses, implement strict management of five major risk sources — people, vehicles, objects, hogs and risk animals — and prevent externally introduced risks. We also continually upgrade our hardware facilities; gradually achieve building sealing and negative pressure ventilation and physical fences; implement zoning management and batch production; and prevent internal spreading of biological risks.

#### 3.2.2 Responsible Supply Chain

Building a responsible supply chain is an important part of WH Group's commitment on product safety and quality and an important part of our climate and environmental strategy. We are committed to building a responsible supply chain by procuring livestock, poultry, and raw materials from sources and cooperate with downstream partners such as logistics, distribution and retail partners in our work to provide consumers with high-quality, nutritious protein choices.

We encourage our suppliers to meet our supplier standards while following our local supplier code of conduct. We encourage them to act on their own initiative in areas such as environmental conservation, labor standards, employee health and animal welfare and partner with them to promote a sustainable supply chain.

#### Supplier Management

In China, Shuanghui's *Procurement Supplier Management System* requires suppliers to sign relevant documents, including the *Food Safety and Quality Commitment Statement*, *Supplier Code* and *Environmental Protection Initiative*, which covers subjects such as the supplier's food quality and safety, business ethics and environmental protection. In cooperation with five types of suppliers (such as packaging suppliers and raw material suppliers), Shuanghui incorporates sustainability-related issues into supplier approval and evaluation standards and optimizes supplier approval, review, evaluation, and elimination mechanisms.

### 3. HARMONIOUS SOCIETY (continued)

Shuanghui conducts strict qualification reviews, performance evaluations and on-site inspections of its suppliers and continually promotes the sustainable development of all value chain partners. Shuanghui carries out monthly supplier evaluations to assess quality, quantity, and closeness of cooperation, and sends the evaluation results to suppliers in the form of the *Shuanghui Supplier Performance Evaluation Results Notice*. Shuanghui also carries out supply chain sustainability risk assessments and implements correspondence-based or on-site audits of suppliers. During the Reporting Period, Shuanghui adopted a combination of resident inspections and unannounced inspections. It conducted resident inspections for 49 poultry raw materials suppliers and two sweet corn suppliers, and unannounced inspections for 277 suppliers; 24 suppliers that did not meet the requirements were terminated.

In the U.S. and Europe, Smithfield requires suppliers to sign a *Supplier Code of Conduct*, which covers our requirements for suppliers on environmental management and human rights. Smithfield also prioritizes working with suppliers committed to ESG who can help further the ambitious sustainability goals and targets Smithfield has underway in its own value chain. In addition, Smithfield has established a supplier scorecard that requires suppliers to comply with relevant key performance indicators, including Hazard Analysis and Critical Control Point (HACCP)-based critical quality points, quality planning, foreign material control, and shelf life performance. Our supplier grading, evaluation and audit systems, which cover all our suppliers, enable us to ensure stable supply and selection, and help us identify non-compliant suppliers in a timely manner to strengthen supply chain management.

The Code of Conduct requirements have been included in all of WH Groups' contracts during the reporting period.

Suppliers by region	2021
Total number of suppliers	22,680
China	8,264 <sup>12</sup>
U.S.	8,109
Europe	6,223
Other regions	39

#### Win-Win Scenario

The sustainable development of the industry cannot be achieved without all stakeholders working together. We pay attention to the sustainable development of suppliers and actively encourage business partners to build a sustainable supply chain management system that is stable, safe and green, to achieve common development and win-win scenarios.

In China, we incentivize suppliers to work with us to jointly build a sustainable supply chain by strengthening communication and linkage throughout the supply chain. We established a variety of supplier communication channels and holds online, and hold physical meetings with suppliers for training and exchanges in various formats such as seminars, awareness-raising on red-line requirements, and expert lectures.



#### Supplier sustainability

##### Channels: telephone, web conferencing

Contents: Training for 213 raw material suppliers, including the awareness-raising on business integrity for food raw material suppliers and on environmental compliance for packaging material suppliers

##### Channel: supplier conference

Contents: "Feed Industry Market Outlook Seminar in the Second Half of 2021" jointly held with a futures company, which was attended by 141 participants and discussed feed and raw material management issues

##### Channel: online one-on-one training

Contents: Online communication with 35 poultry raw material suppliers on quality data, where the risks in the suppliers' production processes were analyzed and guidance was given to suppliers on risk investigation and improvement

##### Channel: Awareness-raising of red-line requirements

Contents: Training of 274 auxiliary packaging material suppliers on quality red lines, sensory evaluation, etc., guiding suppliers to strengthen factory inspection and quality control

In the U.S. and Europe, we communicate regularly with our suppliers to ensure that orders are fulfilled on time. For suppliers assessed to be unqualified, we will provide R&D collaboration and technical support where appropriate to help them make improvements. At the same time, we focus on building a green and sustainable supply chain and actively work with our largest packaging supplier to promote the sustainable packaging of our products by using recyclable trays or plastic film for some of our products at our Romania and Poland facilities.

<sup>12</sup> During the reporting period, Shuanghui completed the transformation from individual supplier management to collective supplier management, and increased cooperation with large hog farms to optimize the supplier management system.

### 3. HARMONIOUS SOCIETY (continued)

#### 3.3 Employee Empowerment

WH Group regards talent as an important internal driving force for sustainable business development. We uphold mutual respect among employees and constant improvement in work. We strive to build a diverse and inclusive corporate culture, provide a safe and healthy working environment, and build a fair and efficient human resources system. We have a variety of employee communication channels, actively hold cultural and employee appreciation activities, and provide various employee trainings and development programs that enable employees to grow with us for a shared better future.



##### 3.3.1 Value-Based Employment

We strictly abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Fair Labor Standards Act, and the relevant laws in all regions where we have operations; continually standardize and refine our employment system; protect the legitimate rights and interests of employees; respect and treat every employee fairly; and enable employees to unlock their potential and discover their own unique strengths.

##### Diversity, Equity, and Inclusion

WH Group is committed to creating a diverse, equitable and inclusive culture and workplace for employees. We respect every employee and do not treat differently or discriminate against any employees because of gender, age, race, ethnicity, illness, marital status, family status, or religious beliefs. We care about minority groups, including veterans, people with disabilities, and ethnic minorities, and we welcome them to join us. We also continue to increase the proportion of women and minorities in management positions.

### 3. HARMONIOUS SOCIETY (continued)



In the U.S., Smithfield launched the Helping Our Heroes program in 2020 and continued it in 2021. The program prioritizes veteran employment and career development, helps to power veteran-owned businesses, and strengthens the community and family support systems that veterans rely on every day. As of the end of 2021, we have hired nearly 600 veterans.

We provided a US\$300,000 grant to operate a veteran employment center in Newport News and committed to hire 4,000 military veterans by 2025. We also continue to prioritize military spouses in our recruitment efforts and veteran-owned businesses as vendors.

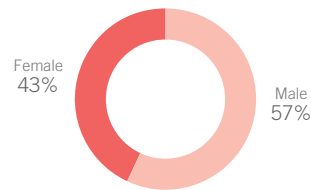


In China, Shuanghui had a variety of campus recruitment programs such as recruitment fairs, online videos on employment, enterprise-university cooperation, recruitment agency, and online recruitment to recruit excellent graduates. During the Reporting Period, Shuanghui held 240 campus recruitment activities in 103 universities and signed cooperation agreements with 45 universities to build a talent pool. For experienced hire recruitment, we emphasize local employment and combine internal recommendations and job fairs to enrich WH Group's talent pool.

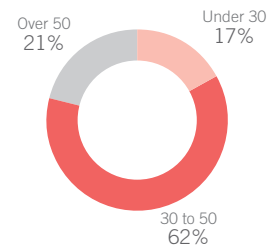


As of the end of 2021, WH Group had a total of 103,809 employees, including 201 part-time employees and 103,608 full-time employees. The proportion of female senior managers increased to 16% from 12% last year, reflecting the Group's noteworthy achievements in its diversification of senior management. Employee classification<sup>13</sup> are as follows:

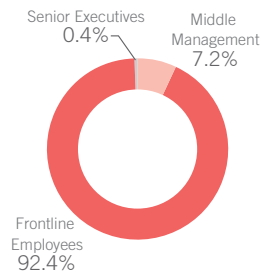
Employees by gender



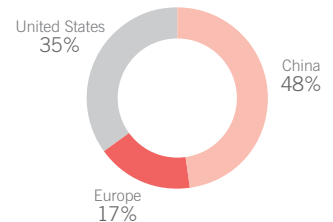
Employees by age



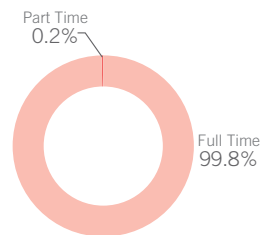
Employees by positions



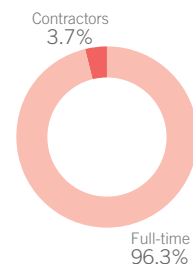
Employees by region



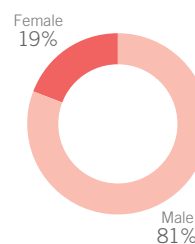
Percentage of Full-time and Part-time Employees



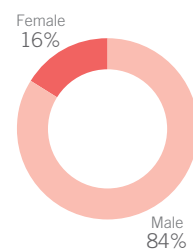
Employees by employment type



Percentage of female middle managers



Percentage of female executives



<sup>13</sup> Employee classification data does not include newly acquired MECOM GROUP s.r.o., Schneider Food s.r.o. and Kaiser Food Kft. (collectively referred to as "Mecom Group") and Granjas Carroll de Mexico (referred to as "GCM Group").



### 3. HARMONIOUS SOCIETY (continued)

#### Labor Rights

WH Group follows the guidance of the *United Nations (UN) Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights (UDHR)*, respecting the human rights of employees and protecting their legitimate rights and interests. In addition, we strictly abide by the relevant laws and regulations of the regions where we operate and have formulated relevant internal policies (such as our *Employee Handbook, Human Rights Policy, and Equal Employment Opportunity Policy*) to protect the rights and interests of employees on equal opportunity, health, environment and safety as well as protection from harassment and violence at work. We also provide training on topics such as professional respect, diversity, privacy protection and human rights, and we encourage employees to be aware of the relevant policies that protect their rights.

We strictly prohibit child labor. According to the *WH Group Corporate Principle*, recruitment of employees under the age of 16 is forbidden. We oppose any forms of forced labor and apply the voluntary principle during our recruitment process. In China, Shuanghui verifies the identity information of employees within three months of their employment, and all employees can report child labor or forced labor through various channels, such as the company inspection center hotline, factory employee workshop, human resources management hotline, and so on.

WH Group recognizes and respects the rights of every employee on free association and collective bargaining. We have measures to identify, mitigate or eliminate any potential issues that infringe on the right to freedom of association and the right to collective bargaining. We sign and perform employment contracts in accordance with the relevant laws and regulations in the regions where we operate. In China, Shuanghui has signed collective contracts and wage collective negotiation agreements with employees, which clearly states the terms of social insurance contribution base and payment ratio, the implementation of the irregular working hours system and the comprehensive calculation of working hours to effectively protect the rights and interests of employees. Shuanghui also appropriately handles employee complaints through self-examination and inspection.



In the U.S., Smithfield commissions third-party audits of approximately 25 to 30 U.S. factories each year based on the four-pillar (Labor Standards and Health, Safety, Environment and Business Ethics) standards of the Sedex Members Ethical Trade Audit (SMETA). We also commission these third-party audits of our operations in Europe.

At the same time, we communicate our human rights policy to our suppliers, highlight human rights issues in our supplier code of conduct, and urge our suppliers to take action.

During the Reporting Period, WH Group had no records of violations involving employees' rights and interests.

#### 3.3.2 Employee Development

WH Group empowers employees and helps aspiring and capable employees to grow with the Company. We have optimized our internal training system, incentive mechanisms and talent pool development policy to achieve our talent development and training goals.

#### Employee Training

We continually improve the professional skills of our employees through diversified training programs in a well-structured training system. During the Reporting Period, the percentage of employees trained reached 100%.

#### Employee training of WH Group

Indicator	Unit or Description	Data
Total training hours	Hour	9,412,136
Training coverage	%	100%
Training attendance	Attendance	2,200,066
Average number of training hours	Hour per employee	90.67
Average number of training hours per male employee	Hour	87.39
Average number of training hours per female employee	Hour	95.09
Average number of training hours per senior management member	Hour	105.74
Average number of training hours per middle-management member	Hour	33.73
Average number of training hours per frontline employee	Hour	94.99

### 3. HARMONIOUS SOCIETY (continued)

In China, Shuanghui continually optimizes the training matrix of all employees at the headquarters and its subsidiaries, actively fosters proactive internal atmosphere of learning, promotes the organizational transformation and upgrading, and takes advantage of new technologies, new equipment and new management concepts. It has a three-level training system targeting employees in different positions to develop a robust workforce. It has a series of training programs established in cooperation with Luohe Food Vocational College and Luohe Vocational Technology College, such as “Shuanghui Business School”, “Shuanghui Academy” and “Shuanghui Elite Marketer Class”, which offer diversified high-quality specialized courses for employees.



In the U.S. and Europe, Smithfield steadily focused on efforts to make company an even better place to work. Smithfield rolled out dozens of interlinked initiatives such as Smithfield University designed to make Smithfield an employer of choice by improving onboarding processes and on-the-job training.

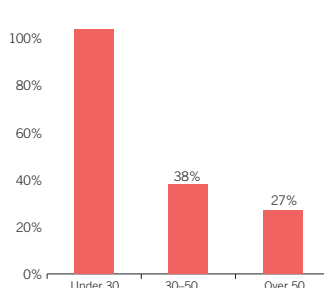
#### Talent Promotion

Maintaining fair, smooth and diversified promotion paths for employees is key to workforce development. WH Group has robust rules in place on remuneration management, performance management, and promotion to provide ample career growth opportunities for all employees.

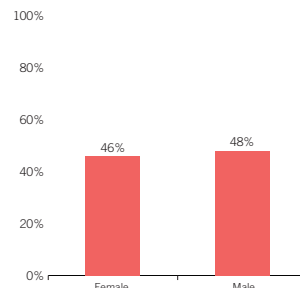
In China, Shuanghui implements a merit-based philosophy of personnel management and reflects it in its relevant policies such as *Employee Remuneration Policy* and *Employee Performance Management Policy*. We make appointments for senior management positions as well as general positions based on comprehensive assessment in terms of professional ethics, KPIs and personal career plans. During the Reporting Period, Shuanghui further improved the *Shuanghui Handbook for Managerial Personnel* by making revisions on aspects such as the minimum scoring requirements for appointments, the principle of progressive promotion, and the selection criteria for backups, with strengthened fairness and transparency of evaluation.

In the U.S., Smithfield provides employees with ample career growth opportunities through appointments and promotions based on rigorous performance evaluation and skill training and addresses potential risks to increase employee retention. In 2021, the Group’s employee turnover rate was 47%, compared with 25% last year<sup>14</sup>. This was mainly due to the high turnover trends in the U.S.. According to the U.S. Bureau of Labor Statistics, the wave of resignations set off by the pandemic continued to rise in 2021 and reached an all-time high in November. In response to the daunting challenge brought by this to its workforce stability, Smithfield recruited new employees through various channels and created a best-in-class work culture.

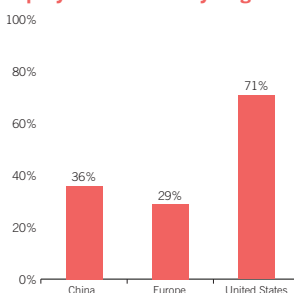
Employee turnover by age



Employee turnover by gender



Employee turnover by region



<sup>14</sup> Employee turnover rate = number of departures during the reporting period/number of employees at the end of the reporting period

### 3. HARMONIOUS SOCIETY (continued)

#### 3.3.3 Employee Engagement

WH Group listens attentively to the demands and opinions of our employees. We provide benefits for employees and actively organize cultural and recreational activities to enhance employees' sense of belonging and identity.

#### Employee Care

WH Group holds a variety of corporate culture and employee appreciation events at each business location to make employees feel valued and cared for.

In China, Shuanghui regularly organizes various cultural and sports activities, provides facilities and platforms such as activity rooms and gyms for employee activities, and helps employees in need in various ways. Shuanghui has operated the "Scholarship for Employees' Children" program for 11 years in accordance with the *Shuanghui Regulations on Financial Assistance for Employees' Children Enrolled into Universities*, under which it has funded 9,153 children of employees with a total of approximately US\$3.72 million.

In the U.S. and Europe, Smithfield provides comprehensive health insurance and benefits for employees. Depending on the country of residence, these benefits include life insurance, medical, vision and dental care, 401(k) plans, and pension plans. Smithfield also recognizes excellent employees with rewards on various grounds such as dedication at work, performance and innovation. Additionally, we reinforced our commitment to education through the Smithfield scholarship program by funding more than US\$1 million worth of educational scholarships globally to eligible dependents of our employees in 2021.

#### Employee Communication

In China, employees can express their concerns, opinions and suggestions through the trade union as well as many other channels, including the whistleblowing hotline, whistleblowing mailbox, seminar, general manager's mailbox, hotline of the human resources center, president's mailbox and employees' congress. In addition, management also plays an active part in employee communication by meeting new employees and graduates, solving practical issues for new employees, and answering relevant questions.

In the U.S. and Europe, Smithfield facilitates internal communication through an employee hotline. In 2021, the hotline received calls from more than 600 employees and their family members about various issues at work and in life and provided them with help.

#### 3.3.4 Occupational Health and Safety

WH Group adheres to the "people centricity" safety philosophy and implements the safety management concept of "putting safety first, focusing on risk prevention, and adopting an integrated approach." The Company has actively responded to the UN Sustainable Development Goals by continually improving its occupational health and safety system with a focus on the prevention of work-related accidents and maintaining a safe, reliable and comfortable working environment.

In the *WH Group Corporate Principles*, WH Group has upgraded its worker safety targets of achieving zero accidents and zero injuries for work-related reasons during working hours and in the workplace.



**Targets**

- During working hours and in the workplace, achieve zero accidents and zero injuries for work-related reasons

#### Health and Safety Management

We strictly abide by the Production Safety Law of the People's Republic of China, the Occupational Safety & Health Act, the Framework Directive on Safety and Health at Work, and other relevant laws and regulations in the regions where we have operations. We improve workplace safety through setting standard operating procedures and requirements, real time monitoring and regular evaluation of compliance of our operation management. We continually explore opportunities of applying innovative technologies, especially critical point monitoring and early warning systems, to improve operational safety and carry out various activities such as safety culture promotion, to strengthen employees' safety awareness and protect their occupational health and safety.

### 3. HARMONIOUS SOCIETY (continued)

In China, Shuanghui has set up a safety management committee headed by the President of the Company to coordinate work safety management. The safety and environmental protection center is responsible for the implementation of the specific safety and environmental protection policies and the supervision of work safety at operating facilities. A deputy manager is responsible for equipment safety and a production safety department is responsible for safety and environmental protection at each facility. During the Reporting Period, Shuanghui further improved its various management policies such as the *Standard Operating Procedures for Safety and Environmental Management*, which provides clear provisions on safety and environmental management objectives, accountability systems, and performance evaluation standards for the relevant departments with an outcome orientation. It also promoted process self-examination and rectification to improve management of the whole process. During the Reporting Period, we invested US\$128,600 in projects such as occupational health and safety management systems certification, occupational disease hazards detection, occupational disease hazard evaluation, and occupational health examination and certified two more factories to the ISO 45001 occupational health and safety management system.

In the United States and Europe, Smithfield created a corporate healthcare manager position that works closely with existing field nurses and coordinates with Smithfield's benefits and wellness teams. To effectively reduce safety risks and prevent accidents, Smithfield has established the Smithfield Injury Prevention System (SIPS) according to the relevant requirements of ISO 45001 Occupational Health and Safety Management System. SIPS will centralize information about employee health and safety at all U.S. locations into a single database, including audit results, surveys, training and evaluations, to improve targeted injury prevention through digital controls. Smithfield has also set safety targets and aims to score at least 90% on SIPS audits at all locations globally by 2025.

#### COVID-19 Response

Since the beginning of the COVID-19 pandemic, Smithfield has invested more than US\$800 million in COVID-19 responses and related employee benefits. This investment has helped keep workers safe and healthy while maintaining the food supply chain. Our operations are fully compliant with the guidelines of the U.S. Center for Disease Control and Prevention (CDC) and the U.S. Occupational Safety and Health Administration (OSHA), as well as state and local regulations. Our safety measures included, among others, mandatory mask wearing, social distancing where feasible, installation of thousands of plexiglass barriers, free field testing, on-site vaccination campaigns, extensive COVID-19 protocols and contact tracing programs, and timely adjustment of attendance policies so that employees would not be penalized for missing work due to COVID-19.

Since February 2021, we have provided free vaccinations to all our employees and organized more than 200 vaccination campaigns and 150 "Vax Facts" events. At these events, we together with suppliers including the Department of Health and Human Services and retail customers, answered questions about vaccines. As part of the vaccination campaign of the Polish government, our Animex facilities provided five vaccination sites in June and July 2021, which benefited around 1,000 employees and their families. In Romania, we made special accommodation and other arrangements, including transportation services between their place of work to the vaccination sites and time off, to facilitate employee vaccination.



### 3. HARMONIOUS SOCIETY (continued)

We abide by the health and safety requirements of the applicable laws and regulations, record and analyze work accidents and lost working hours due to work-related injuries, continually improve our health and safety management performance by setting stricter work accident management targets and strive to achieve zero work-related injuries.

During the Reporting Period, WH Group’s work injury rate per 200,000 working hours was 1.54. The work-related fatalities of Shuanghui was 10, all of which were not directly caused by work, including five due to traffic accidents, four due to sudden illness, and one due to accident. Work-related fatality of Smithfield was one.

Injured employees were sent to hospitals for treatment in a timely manner and we filed work-related injury claims for them and provided support for the families of the injured or deceased employees. WH Group and its subsidiaries investigated the fatal accidents and filed them with the government regulatory agencies in a timely manner as required; after identifying the causes of the accidents, appropriate safety process optimization and safety education work was carried out.

Indicator	2019	2020	2021
Number of work-related injuries per 200,000 working hours	1.57	1.42	1.54
Number of work-related fatalities	1	1	1

#### Safety Culture

WH Group strives to ingrain a culture of safety in the minds of all employees and provide them with safety training and related activities to strengthen their safe operation awareness and prevent potential risks.

In China, Shuanghui holds monthly meetings to review its safety and environmental protection management processes. During the “Safety Month”, Shuanghui issued a special plan that covered extensive safety-related activities, such as prize quiz, blackboard newspaper selection, training and emergency response drill, to foster an atmosphere of safety and increase the safety awareness of all employees. In addition, Shuanghui organized comprehensive drills and special drills as well as on-site emergency response exercises according to its work accident response policies and in light of the emergency response plans of the subsidiaries and improved its existing procedures according to the results of the drills.

In the U.S. and Europe, Smithfield provides health and safety training to employees through online safety courses, which all regular employees are required to participate in. Smithfield’s worker health and safety team also conducts training activities not related to production, such as first aid or cardiac resuscitation, to improve employees’ emergency aid skills in worker health and safety.

Indicator	Unit or Description	Data
Total safety training hours	Person-times	187,382
Total safety training attendance	Hour	477,077

### 3.4 Care for the Community

The development of WH Group is inseparable from support from all sectors of society. We have explored a model of social interconnection and actively carried out CSR activities to promote community development, provide educational resources, and reduce poverty and hunger. We are committed to being a responsible corporate citizen with a positive impact on the sustainable development of society. During the Reporting Period, we donated a total of US\$46.47 million.

#### 3.4.1 Education Equity

Eliminating the gender gap and economic gap in education is the basis for improving human life and achieving sustainable development. We have operated CSR programs on educational equity for many years in response to the UN Sustainable Development Goals on “reducing inequalities” and “quality education”. In 2021, Smithfield’s funding of scholarship totaled US\$766,743 in the U.S. and US\$271,530 in Poland and Romania.

We have partnered with the North Carolina Business Committee for Education (NCBCE) to fund an endeavor before 2022 to provide wireless hotspots to better connect students in rural areas as well as address long-term internet solutions for underserved communities.

### 3. HARMONIOUS SOCIETY (continued)

We have partnered with the Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS) to support K-12 students interested in food, agriculture and natural resource careers. We have partnered with the Heritage STEM Camps Foundation (HSCF) to provide funding for a STEM Summer Camp for young minority women ages 12–18 in the Mid-Atlantic region.

We also renewed our partnership with An Achievable Dream Academy (AAD), a program committed to racial equity in education, to provide resources for public school districts in the Tidewater community in Virginia.



### 3. HARMONIOUS SOCIETY (continued)

#### 3.4.2 Hunger Relief

Hunger is an important issue affecting the stable development of society. We work with organizations to provide children and vulnerable groups with adequate and nutritious food through food donations and philanthropic support, minimizing the impact of hunger on society.

##### Helping Hungry Homes® initiative

- Our Helping Hungry Homes® initiative has now provided more than 250 million servings of protein to food banks, disaster relief efforts and community outreach programs in all 50 U.S. states. We have pledged to donate an additional 200 million servings of protein through this initiative by 2025.

##### The 25th Annual Mayflower Marathon Food and Fund Drive

- Our subsidiary Smithfield provides food and funding for the Mayflower Marathon Food and Fund Drive annually. In 2021, we donated 75,000 pounds of protein, equivalent to 300,000 servings, to families in need during and after the Thanksgiving.

##### Annual Hunger Relief Day event at the North Carolina State

- The annual Hunger Relief Day is one of the largest one-day canned food drives in North Carolina. As one of the sponsors, our subsidiary Smithfield donated 500,000 servings of protein to the food bank. Combined, the event raised the equivalent of 313,197 pounds for those facing hunger in the state.



#### 3.4.3 Care for the Community

In 2021, the world experienced increasing losses from extreme weather events. WH Group maintains top of mind its corporate social responsibility and pays close attention to social needs by making every effort to provide support and assistance in the event of natural disasters and major events to help disaster-stricken areas in response and recovery.

##### Support for flood relief in Henan Province

- In July 2021, continuous rainfall caused floods in many prefectures and cities in Henan province. In addition to organizing forces to fight the floods, we donated 50,000 boxes of packaged meat products to severely affected areas such as Zhengzhou, Luoyang, Xinxiang, and Jiaozuo, and donated US\$2.35 million to the stricken area through the Zhengzhou Charity Federation.

##### Aid for Texas

- In 2021, Texas was hit by a major winter storm that severely impacted local residents. Our subsidiary Smithfield donated 300,000 servings of protein to local residents, enough to feed nearly 150,000 people, helping local residents to cope with the crisis.



# APPENDIX 1: MAJOR APPLICABLE LAWS AND REGULATIONS

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## China

- 1 Anti-unfair Competition Law of the People's Republic of China
- 2 Food Safety Law of the People's Republic of China
- 3 Animal Epidemic Prevention Law of the People's Republic of China
- 4 Advertising Law of the People's Republic of China
- 5 Consumer Protection Law of the People's Republic of China
- 6 Cybersecurity Law of the People's Republic of China
- 7 Water Pollution Control Law of the People's Republic of China
- 8 Air Pollution Prevention and Control Law of the People's Republic of China
- 9 Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution
- 10 Water Law of the People's Republic of China
- 11 Energy Conservation Law of the People's Republic of China
- 12 Environmental Protection Tax Law of the People's Republic of China
- 13 Labor Law of the People's Republic of China
- 14 Labor Contract Law of the People's Republic of China
- 15 Safety Production Law of the People's Republic of China
- 16 Regulations on Work Injury of the People's Republic of China
- 17 Prevention and Control of Occupation Diseases Law of the People's Republic of China
- 18 E-commerce Law of the People's Republic of China

## U.S. and Europe

- 1 The United States Federal Food, Drug and Cosmetic Act
- 2 Sherman Antitrust Act
- 3 EU Antitrust policy
- 4 General Data Protection Regulation
- 5 California Consumer Privacy Act
- 6 Clean Water Act
- 7 Water Framework Directive
- 8 Clean Air Act
- 9 The Industrial Emission Directive
- 10 Solid Waste Disposal Act
- 11 Waste Framework Directive
- 12 Fair Labor Standards Act
- 13 Occupational Safety & Health Act
- 14 Framework Directive on Safety and Health at Work



# APPENDIX 2: ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph	Remarks
<b>A. Environment</b>			
<b>Aspect A1: Emissions</b>			
A1	General Disclosure  Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Green Operations — Response to Climate Change  Green Operations — Pollution Management	
A1.1	The types of emissions and respective emissions data.	Green Operations — Pollution Management — Wastewater management  Green Operations — Pollution Management — Emissions Management	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Green Operations — Response to Climate Change — Environmental Performance	
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Green Operations — Pollution Management — Solid Waste Management	
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Green Operations — Pollution Management — Solid Waste Management	
A1.5	Description of emission target(s) set and steps taken to achieve them	Green Operations — Response to Climate Change — Our Responses	
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations — Pollution Management — Solid Waste Management	
<b>Aspect A2: Use of Resources</b>			
A2	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations — Response to Climate Change  Green Operations — Resource Management	
A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in'000s) and intensity (e.g., per unit of production volume, per facility).	Green Operations — Response to Climate Change — Environmental Performance	
A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Green Operations — Resource Management — Water Resource Management	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations — Response to Climate Change — Our Responses	

## APPENDIX 2: ESG REPORTING GUIDE CONTENT INDEX (continued)

Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph	Remarks
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operations — Resource Management — Water Resource Management	
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Green Operations — Resource Management — Packaging Material Management	
<b>Aspect A3: The Environment and Natural Resources</b>			
A3	General Disclosure  Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Green Operations	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations	
<b>Aspect A4: Climate Change</b>			
A4	General Disclosure  Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Operations — Response to Climate Change	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Operations — Response to Climate Change	
<b>B. Social</b>			
<b>Employment and Labor Practices</b>			
<b>Aspect B1: Employment</b>			
B1	General Disclosure  Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmonious Society — Employee Empowerment — Value-Based Employment	
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Harmonious Society — Employee Empowerment — Value-Based Employment	
B1.2	Employee turnover rate by gender, age group and geographical region.	Harmonious Society — Employee Empowerment — Employee Development	

## APPENDIX 2: ESG REPORTING GUIDE CONTENT INDEX (continued)

Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph	Remarks
<b>Aspect B2:</b>	<b>Health and Safety</b>		
B2	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmonious Society — Employee Empowerment — Occupational Health and Safety	
B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	Harmonious Society — Employee Empowerment — Occupational Health and Safety	
B2.2	Lost days due to work injury.	Harmonious Society — Employee Empowerment — Occupational Health and Safety	We use an internationally accepted occupational injury rate of 200,000 man-hours as key performance indicator for occupational safety.
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Harmonious Society — Employee Empowerment — Occupational Health and Safety	
<b>Aspect B3:</b>	<b>Development and Training</b>		
B3	General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Harmonious Society — Employee Empowerment — Employee Development	
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Harmonious Society — Employee Empowerment — Employee Development	
B3.2	The average training hours completed per employee by gender and employee category.	Harmonious Society — Employee Empowerment — Employee Development	
<b>Aspect B4:</b>	<b>Labor Standards</b>		
B4	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmonious Society — Employee Empowerment — Value-Based Employment	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Harmonious Society — Employee Empowerment — Value-Based Employment	
B4.2	Description of steps taken to eliminate such practices when discovered.	Harmonious Society — Employee Empowerment — Value-Based Employment	No violations were found this year.

## APPENDIX 2: ESG REPORTING GUIDE CONTENT INDEX (continued)

Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph	Remarks
<b>Operating Practices</b>			
<b>Aspect B5:</b>	<b>Supply Chain Management</b>		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	Harmonious Society — Value Chain Management — Responsible Supply Chain	
B5.1	Number of suppliers by geographical region.	Harmonious Society — Value Chain Management — Responsible Supply Chain	
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.	Harmonious Society — Value Chain Management — Responsible Supply Chain	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Harmonious Society — Value Chain Management — Responsible Supply Chain	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Harmonious Society — Value Chain Management — Responsible Supply Chain	
<b>Aspect B6</b>	<b>Product Responsibility</b>		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Harmonious Society — Quality Management — Food Safety and Health	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Harmonious Society — Quality Management — Food Safety and Health	
B6.2	Number of products and service-related complaints received and how they are dealt with.	Harmonious Society — Quality Management — High-Quality Service	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property right is not a major ESG issue for the Group.	
B6.4	Description of quality assurance process and recall procedures.	Harmonious Society — Quality Management — Food Safety and Health	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Harmonious Society — Quality Management — High-Quality Service	

## APPENDIX 2: ESG REPORTING GUIDE CONTENT INDEX (continued)

Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph	Remarks
<b>Aspect B7</b>	<b>Anti-corruption</b>		
B7	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Sustainable Business — Business Ethics and Anti-Corruption	
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.	Sustainable Business — Business Ethics and Anti-Corruption — Anti-Corruption	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Sustainable Business — Business Ethics and Anti-Corruption — Anti-Corruption	
B7.3	Description of anti-corruption training provided to directors and staff.	Sustainable Business — Business Ethics and Anti-Corruption — Anti-Corruption	
<b>Community</b>			
<b>Aspect B8</b>	<b>Community Investment</b>		
B8	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.	Harmonious Society — Care For the Community	
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Harmonious Society — Care For the Community	
B8.2	Resources contributed (e.g., money or time) to the focus area.	Harmonious Society — Care For the Community	



# APPENDIX 3: CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Contribution to SDGs	Action-Involving Chapters
 <p><b>1</b> NO POVERTY</p>	<p>Harmonious Society — Care for the Community</p>
 <p><b>2</b> ZERO HUNGER</p>	<p>Harmonious Society — Care for the Community</p>
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>Harmonious Society</p>
 <p><b>4</b> QUALITY EDUCATION</p>	<p>Care for the Community — Education Equity</p>
 <p><b>5</b> GENDER EQUALITY</p>	<p>Harmonious Society — Employee Empowerment</p>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<p>Green Operations Harmonious Society — Value Chain Management</p>

APPENDIX 3: CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (continued)

Contribution to SDGs	Action-Involving Chapters
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p>Green Operations — Response to Climate Change</p>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Harmonious Society — Employee Empowerment</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Green Operations — Response to Climate Change Harmonious Society — Quality Management</p>
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p>Care for the Community — Education Equity</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Harmonious Society — Value Chain Management Care for the Community</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Green Operations Harmonious Society — Value Chain Management</p>

APPENDIX 3: CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (continued)

Contribution to SDGs	Action-Involving Chapters
	Green Operations — Response to Climate Change
	Green Operations — Response to Climate Change Harmonious Society — Quality Management Care for the Community





萬洲國際  
WH GROUP