



ZHOU HEI YA

**INTERNATIONAL HOLDINGS
COMPANY LIMITED**

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1458

2023 ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

Producing Food with Conscience, and Building a Century-Aged Enterprise

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Message from the Management

After experiencing a few challenges, consumption gradually recovered in 2023, significantly benefiting enterprises. Under the circumstance, Zhou Hei Ya actively expanded the market, carried out product innovation to meet the growing demand and provided consumers with better service experience while guaranteeing product quality.

In terms of production capacity, Zhou Hei Ya has five major production centers in China. At present, there are four highly automated production centers of cleanliness class 100,000 in North China, Central China, South China and East China. Meanwhile, the West China factory will be put into operation. Covering all the country, five centers can meet our front-end demand and allow flexible distribution, thus significantly improving delivery from our stores.

During the Reporting Period, Zhou Hei Ya improved its strategic layout both online and offline, allowing it to reach more young consumers through an omni-channel pattern. Furthermore, the Company strove for development by taking actions based on industrial recovery. The Group had a total of 3,816 stores covering 331 cities in 28 provinces, autonomous regions and municipalities in China.

Responsible Governance

Zhou Hei Ya knows that integrity is the base of business operation, always adhering to the principle of "without sincerity, there is no cooperation; without trust, there is no progress". We create an optimized corporate governance structure with high transparency, traceability, and clear rights and responsibilities to achieve sustainable development. We are committed to establishing a sound corporate governance structure and continue to enhance the effectiveness of our corporate governance by increasing the diversity and professionalism of our Board of Directors, strengthening risk management and prevention and control, and strictly complying with the code of business ethics.



Brand Building

Zhou Hei Ya attaches great importance to product quality and taste, improve brand value and enhance consumers' awareness and affection based on marketing with compliance. The Company actively diversifies its product portfolio, gains insights into consumer needs with its new product R&D system and big data online analysis system and responds quickly to market change. Meanwhile, we adopt innovative strategies such as cross-border marketing to convey our product features and brand concept through various promotions.

Green Development

Zhou Hei Ya always abides by the national dual-carbon strategy and green ecological policy, taking environmental protection as the core element of sustainable development. We strive for sustainable development, improve the environmental management system, establish environmental management goals, and take measures to proactively address the risks arising from climate change. In addition, we improve the efficiency of resource utilization by reducing water use, optimizing packaging materials and promoting the construction of energy consumption management system. In production, our key mission is to reduce discharge of waste to minimize the impact of production and operation on environment.

People Oriented

Zhou Hei Ya firmly believes that the continuous progress of a company depends on its employees' unremitting efforts and continuous innovation. Therefore, we attach great importance to talent management by providing attractive salaries and benefits and establishing a sound training system in order to create a good prospect of career development and an inclusive, diverse cultural atmosphere. We hope to grow together with our employees, stimulate their potentials and help them realize their value by strengthening talent cultivation.

Social Service and Charity

Zhou Hei Ya participates in charitable activities at all times to fulfill its social responsibilities and pass the positive energy. We not only have provided

substantial aid to the community, but also have built the "Zhou Hei Ya Braising Culture Popular Science Education Base" by utilizing the resources of the existing factories based on our main business. With the base, we contribute our efforts to popular science education in China and convey our core values and favorable image, which have a profound impact on building a harmonious and inclusive community and achieving sustainable development.

Looking forward, Zhou Hei Ya will go on with its core strategy of sustainable development and strive to realize the harmonious development of economy, society and environment through continuous innovation and improvement of channels, products and supply chains, etc.

Chairman

Zhou Fuyu

About this Report

Overview

This report is the eighth Environmental, Social and Governance (“ESG”) Report of Zhou Hei Ya International Holdings Company Limited (hereinafter referred to as “the Company” or “Zhou Hei Ya”). It focuses on disclosure economic, social and environmental performance and relevant information of the Company and its subsidiaries (collectively, the “Group”) for the reporting period from January 1 to December 31 of 2023 (hereinafter referred to as “the Reporting Period”). Some information is sourced before 2023 or in 2024.

Reporting Reference

This report was prepared with reference to Appendix C2 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) of the Rules Governing the Listing of Securities.

The content of this report was prepared in accordance with a set of systematic procedures, including identifying and prioritizing key stakeholders, conducting materiality analysis of key issues relevant to ESG, deciding the scope of the ESG report, collecting relevant materials and data, writing the report based on the data, and reviewing the report, etc.

Materiality: To further clarify the key areas and information of corporate disclosure on environmental, social and governance practices and to enhance the relevance and responsiveness of the report, this year we once again carried out material issue identification procedures. Based on environmental, social and governance matters which have a material impact on investors and other stakeholders as determined by the Board, we judged the materiality of each issue and finally determined the level of disclosure and boundary of the issues in accordance with the principle of materiality, which ensured a more accurate and complete disclosure of the Group’s operational management related information.

Quantitative: In accordance with the “key performance indicators” listed in the Appendix C2 ESG Reporting Guide, we formulated objectives of reducing minor impacts, introduced quantitative indicators and calculation methods, standards and assumptions with some notes, and disclosed data for some indicators of three consecutive years since 2021 in order to ensure that the effectiveness of environmental, social and governance policies and management systems are assessable and verifiable. Moreover, we offered carefully considered reasons to the unexplained provisions.

Balance: This report strives to achieve objective, fair and truthful reflection of the Group’s ESG effectiveness and practice in 2023. The contents of the report are from the Group’s internal management documents, statistics, public disclosure, as well as media coverage, with no improper modification.

Consistency: The report follows a consistent range of statistics. The scope of coverage is the Group with no major adjustments compared to previous years.

Scope and Boundary of the Report

The policies, statements, materials and data in this report cover the Group which is consistent with the Group's annual consolidated statements. Unless otherwise stated, all currencies involved in this report are denominated in RMB. The reporting period is the whole year of 2023 (from January 1 to December 31, 2023), in line with the fiscal year, and some information is sourced before 2023 or in 2024.

Source of Material and Assurance

All materials and cases contained in this report were collected from the statistics reports and relevant documents of the Company. The Company promises that this report does not contain any false and misleading statement, and is responsible for the authenticity, accuracy and completeness of its contents.

Confirmation and Approval

This report was approved by the Board on 27 March 2024 after confirmed by the management.

Access to the Report and Feedback

This report is prepared in Traditional Chinese and English. The electronic copy is available both in Zhou Hei Ya's "Financial Statements/ESG Information" at the website of HKEX and the website of the Company.

We highly value stakeholders' opinions. Readers are welcome to contact us in the following ways. Your comments and suggestions will help us continuously improve this report and the environmental, social and governance performance of Zhou Hei Ya.

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Highlights in 2023

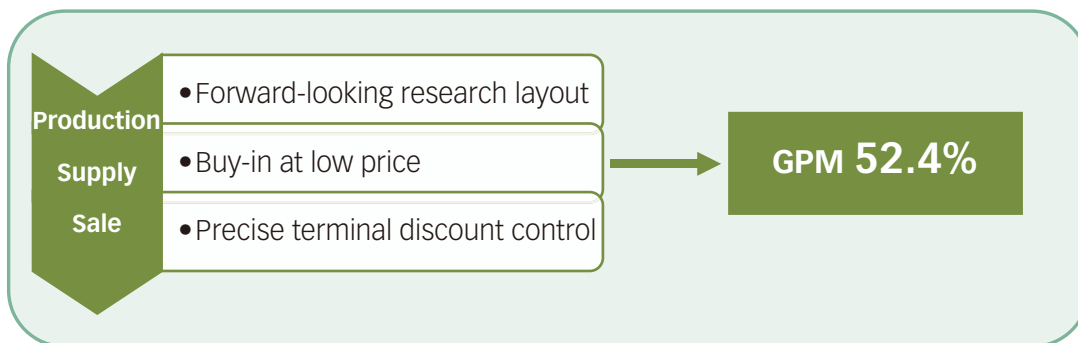
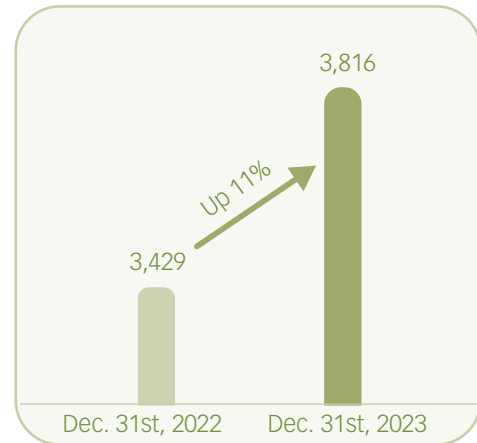
As a leading company of leisure cooked and braised products in China, we achieved strong growth in the fiscal year of 2023. In the previous year, we deployed our strategies in stores, channels, supply chains and products. All businesses recovered gradually with profitability improved significantly. Also, we were very successful in cost reduction and efficiency improvement.

In 2023, we assessed the situation and focused on transportation hub channels with strong certainty, and expanded our operations steadily. During the Reporting Period, we continued to promote the dual channel of “self-operated store + franchised store”, increased offline stores, and improved our penetration and brand visibility all over China.

With a long-term perspective, we expanded our sales channels to enhance our sales resilience and achieve steady development. In 2023, we maintained our physical presence in transportation hubs, supermarkets and communities, and attach great importance to online sales in order to reach Generation Z¹. We achieved excellent results in online channels such as takeaway, community fresh food and live streaming platforms, laying the foundation for our long-term development.

At the supply chain level, we continued to innovate and improve management throughout our supply chains. We creatively propose a strategy of production, supply, and sales synergy to overcome the challenge of raw material cost. In the face of unpredictable market price of duck neck, we deployed an overall business strategy in a forward-looking manner, carried out flexible procurement, and achieved a balance between sales and profits by adjusting terminal discounts and controlling retail prices. During the Reporting Period, we effectively hedged the pressure caused by the rising price of raw materials. Thus, our gross profit margin (GPM) reached 52.4%.

Number of Stores



In terms of product research and development, we continued to optimize the product structure, launched products with multiple price ranges, categories and suitable for multiple channels through the research and development system of full-life-cycle new products, explored more consumer demand and improved market penetration. In the current year, we developed new flavors, launched new categories to cover new price range, and achieved sales growth.

¹ Generation Z refers to those born between 1982 and 1996.

Responsible Governance

1.1

Corporate Governance

1.2

Business Ethics

1.3

ESG Governance



We know that integrity is critical to business and we improve corporate governance for sustainable development. We continue to perfect our corporate governance structure, enhance the diversity and quality of our Board of Directors, strengthen risk management and prevention, adhere to business ethics, and improve corporate governance.

1.1 Corporate Governance

Zhou Hei Ya has actively established a transparent, traceable, and clearly defined corporate governance system to create a diversified governance structure. We focus on integrity, accountability, transparency, independence, due diligence and fairness, improve our organizational and management capabilities, enhance our risk resistance, and strive for high-level corporate governance in order to promote our corporate image and brand awareness.

1.1.1 Governance Structure

Zhou Hei Ya strictly abides by the *Company Law of the People's Republic of China*, the *Corporate Governance Code of Appendix C1 of the HKEX Listing Rules* and other laws and regulations, as well as the requirements of relevant regulatory authorities. A scientific and clearly defined governance structure with a clear division of rights and responsibilities has been established and led by the board. We are committed to continuously promoting corporate value creation and transparent management to create a sound, transparent and healthy corporate governance environment.

The Board is composed of three executive directors, three independent non-executive directors, and one non-executive director. The Company has four main board committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Strategic Development Committee. Each Board committee operates in accordance with its terms of reference. The specific terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange of Hong Kong.

1.1.2 Board Diversity

We believe that efficient governance calls for a diversified Board of Directors. Therefore, we take the difference of candidates into account when selecting, nominating, and establishing the Board of Directors. The factors we consider include but are not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of service, and time commitment in order to overcome convergence of ideas in decision-making, conduct comprehensive and thorough evaluations of projects, and enhance the scientific and effective nature of decision-making. When selecting candidates for the Board of Directors, we'll include more female members, thus providing different perspectives for decision-making. The Board of Directors hopes to appoint at least one female director no later than December 31, 2024, with the ultimate goal of achieving gender balance.

1.2 Business Ethics

Zhou Hei Ya strictly abides by the *Criminal Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and continuously revise and improve the *Anti-Corruption Working System* and the *Articles of Discipline Inspection Committee of Zhou Hei Ya*, the *Implementation Measures for Discipline Inspection, Supervision, and Reporting* and other internal policies, so as to strengthen integrity construction within the Group.

Neither corruption nor violation of consumers' rights and interests is permitted in Zhou Hei Ya. We have established various channels for complaint, supervision and reporting of fraud cases, e.g. mailbox, telephone and reporting platform, etc., to ensure that we know, follow up and investigate such problems as soon as possible. We have also established a whistle-blowing reward mechanism to encourage our employees to report misconducts they have discovered. During the Reporting Period, there were no corruption cases within the Group.

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Reporting channels of Zhou Hei Ya

The Group adopts a zero-tolerance attitude towards and takes anti-corruption measures to prevent any violation of business ethics and any corruption. Firstly, we continue to improve the supervision mechanism related to anti-corruption. Furthermore, we have launched a number of exchange and learning activities with members of the *Enterprise Anti-fraud Alliance Association* to enhance our disciplinary inspection and supervision. Finally, we carry out publicity and training on anti-corruption by various means, e.g. online and offline, etc.



Zhou Hei Ya Anti-Corruption



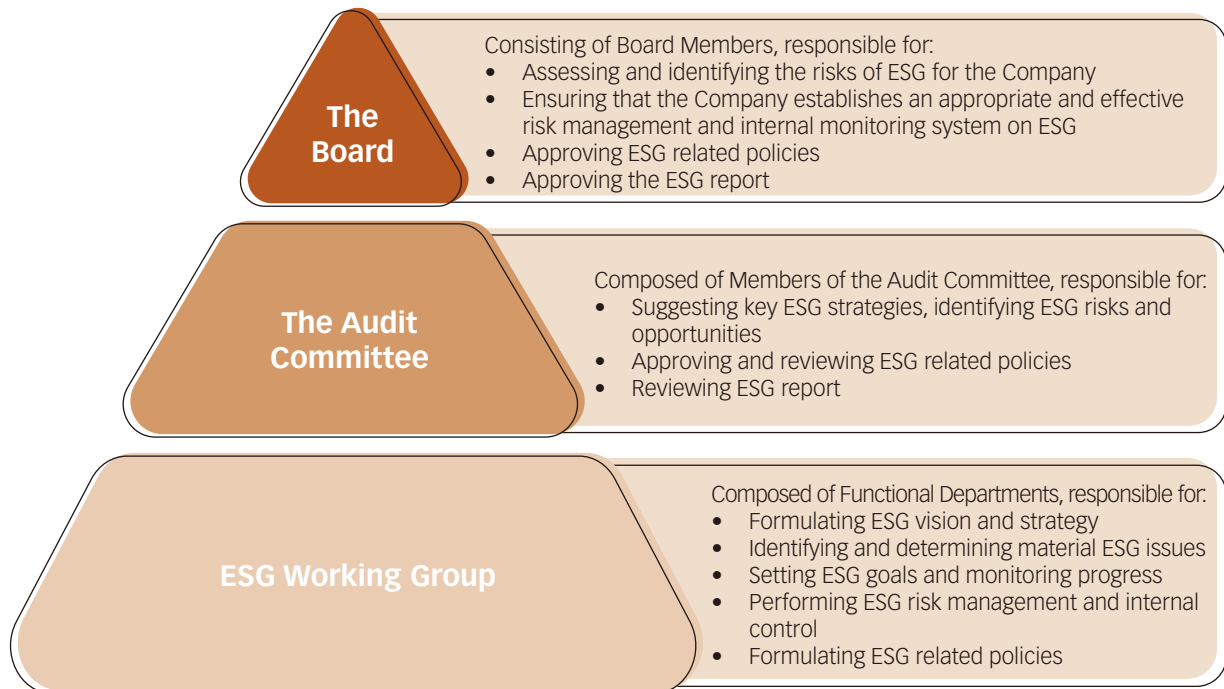
Scenario Training of "Zhou Hei Ya Ten Red Lines"

1.3 ESG Governance

We attach great importance to ESG strategies and guidelines. We apply the concept of sustainable development to all aspects of production and operation, and communicate closely with stakeholders so that the ESG concept can be implemented efficiently and accurately. We'll continue to perform our social responsibilities, promote green development and contribute to the construction of a sustainable community.

1.3.1 Risk Management

In order to guarantee the implementation of sustainability and relevant policies, we have established a comprehensive three-tier ESG governance structure, covering the Board of Directors, the Audit Committee and the ESG Working Group, to implement ESG in the daily operation of the Company.



ESG Governance Structure

ESG Statement from Board

Board Responsibility

Our Board of Directors supervises and is ultimately responsible for the Group's ESG performance. It is responsible for regularly discussing and reviewing the Group's ESG risks and opportunities, performance, and progress to ensure that the Group establishes a sound and effective ESG management and internal control system. The Audit Committee and ESG Working Group under the Board oversee and implement the Company's ESG initiatives.

Day-to-day Implementation

The members of Audit Committee are appointed among the Non-Executive Directors of the Board. Their responsibilities include: proposing the Group's ESG strategy, identifying significant risks and opportunities, overseeing and reviewing the setting of ESG related goals, regularly discussing the adaptability of goals as the Company develops, following up on the progress of ESG goal achievement, reviewing ESG reports, etc. The ESG Working Group develops ESG vision and strategy, identifies and determine major ESG issues, sets ESG goals and monitors their progress, implements ESG risk management and internal monitoring, formulates ESG related policies, and ensures the implementation of ESG work. The Audit Committee regularly reports and makes recommendations to the Board of Directors. During the Reporting Period, the Audit Committee held three meetings.

Identifying ESG Risks & Opportunities

The nature of the Company's business and its operating environment exposes the Company to various potential risks that may have an impact on the sustainable development of the Group. The Board oversees major ESG issues, including related risks and opportunities. The Audit Committee and ESG Working Group assess environmental and social risks. During the Reporting Period, they made a systematic review of climate change-related risks and opportunities, and advised the Board of Directors on risks of strategic importance and developed future risk response and mitigation plans. We have incorporated the relevant significant risks into the enterprise risk management framework and taken proactive measures to mitigate the relevant impacts.

Materiality Analysis

The Company regularly organizes internal and external events to keep communicating closely with our stakeholders to identify, persistently evaluate and prioritize ESG issues. The ranking of major issues has been determined through the third-party's materiality analysis, and the results have been discussed and approved by the Audit Committee of the Company.

1.3.2 Stakeholder Engagement

Zhou Hei Ya has actively and profoundly communicated with six types of major stakeholders from all walks of life (including shareholders/investors, government departments, suppliers, employees, media, and consumers) on ESG-related issues through field investigations, interviews, questionnaires, and other methods regularly and irregularly. The main purposes are to understand stakeholders' concerns on the ESG issues, in order to incorporate relevant feedback in operation and take precise measures in response to stakeholders' demand.

Stakeholders	Major Concerned Issues	Communication Channels/ Feedback Approaches	Frequencies/Times
Shareholders/ Investors	Operating performance Corporate governance Employee Benefits	<ul style="list-style-type: none"> – General meeting of Shareholders – Annual report, interim report, and ESG report – Investors meeting – Performance conference – Press release/ announcement – On site investigation 	<ul style="list-style-type: none"> – Annual general meeting of Shareholders – Scheduled release of Annual report, interim report and ESG report each year – Annual and interim performance press conferences – Others non-scheduled
Government Authorities	Food safety Consumer communication Environmental management Compliance operation	<ul style="list-style-type: none"> – On site investigation – Special conference – Performance reporting – Spot check – Business processing 	<ul style="list-style-type: none"> – Non-scheduled
Suppliers	Supply chain management Food safety Anti-corruption	<ul style="list-style-type: none"> – On site investigation – Supplier assessment – Quality communication meeting – Supplier meeting – Suppliers anti-corruption education – Telephone/written correspondence 	<ul style="list-style-type: none"> – Quarterly quality communication meeting with suppliers of raw, auxiliary and packaging materials – Others non-scheduled
Employees	Compensation and benefits Employee stability Training and development	<ul style="list-style-type: none"> – Training report – Satisfaction questionnaire – Class interview – Telephone interview – Communication of training activities – Video meeting 	<ul style="list-style-type: none"> – Monthly training report (during the development of training projects) – Others non-scheduled
Media	Food safety Community investment Green production	<ul style="list-style-type: none"> – Press releases/ announcement – Interview – Conference 	<ul style="list-style-type: none"> – Non-scheduled
Consumers	Food safety Food nutrition and health Green production Communication and service	<ul style="list-style-type: none"> – Online promotion and announcement – Offline exhibitions – Offline promotion activities – Customer service call – WeChat/Weibo 	<ul style="list-style-type: none"> – Non-scheduled

1.3.3 ESG Materiality Analysis

During the Reporting Period, we communicated closely with all stakeholders, and launched questionnaires, telephone interviews and field visits, etc. to identify and evaluate ESG issues. Meanwhile, we collected opinions and requests from different parties, determined the priority of relevant issues, and formed a matrix of significant issues through in-depth analysis.

During the Reporting Period, the Company has identified and summarized 29 ESG issues, of which seven are the major ESG issues that this report focuses on, constituting a key disclosure section. Therefore, we will elaborate on relevant information in this report.

2023 Zhou Hei Ya ESG Materiality Matrix



Significance to the sustainability of Zhou Hei Ya

No.	ESG Issues
1	Business performance and economic results
2	Formulation of environmental and social governance concepts and management approaches
3	Consumption of electricity, gas, oil and other energy sources
4	Wastewater treatment and discharge
5	Greenhouse gas emissions
6	Exhaust fume treatment
7	Treatment and disposal of solid waste (production and municipal solid waste)
8	Food waste disposal
9	Response to climate change
10	Consumption of packaging materials and Sustainable packaging
11	Compliance employment, prevent child labor and forced labor
12	Employee remuneration and benefits
13	Employee diversity and equal opportunities
14	Occupational health and safety

No.	ESG Issues
15	Career development and employee training
16	Employees care and communication
17	Product quality and safety management
18	Food nutrition
19	Suppliers' food safety management
20	Environmental and social impact of suppliers
21	Supply chain and Food traceability management
22	Consumer service and communication
23	Consumer information and privacy
24	Intellectual property rights of own, partners and other relevant parties
25	Business ethics and Anti-corruption
26	Responsible marketing
27	R&D and innovation
28	Investment in philanthropy (money, time, etc.)
29	Community contribution (whether to boost local employment, to use local suppliers, etc.)

Food Safety and Customer Service

2.1

Food Safety and Quality

2.2

Product Innovation

2.3

Supply Chain Management

2.4

Customer Service



Zhou Hei Ya always sticks to its operation philosophy of “Quality first”. We believe that only by adhering to our intention and principles can we bring more joy and better experience to consumers, and ensure our development in a long term.

2.1 Food Safety and Quality

We adhere to the development objective of quality first. In order to build and improve the food safety management system, Zhou Hei Ya ensures food safety by optimizing the food safety management regulations and building a food testing system. Our products are traceable from procurement to terminal sale to ensure that each batch of products meet the food safety standard.

2.1.1 Food Quality and Safety System

We comply with laws, regulations and national standards to ensure food safety and reliable product quality. We strictly abide by the *Food Safety Law of the People’s Republic of China*, the *Regulations on the Implementation of the Food Safety Law of the People’s Republic of China*, and the *Product Quality Law of the People’s Republic of China*, the *Order No. 60 of the State Administration for Market Regulation of the People’s Republic of China on the Supervision and Administration of Enterprise Implementation of Food Safety Main Responsibility*, the *GB 2762-2022 National Food Safety Standard-Limit of Pollutants in Food*, and the *GB 5749-2022 Sanitary Standard for Drinking Water*, to ensure that the production, processing, storage, transportation and sales of food are in compliance with the requirements of laws, regulations and regulatory authorities.

With a sound food safety management system and a sound quality management system, we have formulated the *Full-chain Food Safety Worker Supervision and Control Regulations* and the *Self-inspection Specification for Main Responsibilities of Food Safety in Trading Units*. In production and operation units, food safety directors and workers have been appointed to supervise production and sale, etc. We also optimize our management system through self-inspections, internal audits, and external audits to improve food safety and quality management.

In order to further improve the quality defense system and product recall procedure, the Group practiced the product recall procedure. During the Reporting Period, the Group organized product traceability drills, and 8 product recall exercises were conducted among the factories. The effectiveness of simulated recall reached 100%, which ensured the integrity of the product recall process and the efficiency of product recall. During the Reporting Period, nothing happened to this Group that triggered any product recall for the reasons of safety and health.

Quality Management Series Training for Store Operation

We provide in-store food safety training for food safety officers to enhance food safety and risk control within stores. Training helps food safety workers to improve their ability to control food safety and detect food safety problems, in order to further ensure our food safety.



Online Training Course for Quality Management Series of Zhou Hei Ya Stores

Our efforts in building the food safety management system have been widely recognized within the industry.



Hubei Industrial Park's System Certifications



Hebei Industrial Park's System Certifications



Guangdong Industrial Park's System Certifications



Jiangsu Industrial Park's System Certifications

2.1.2 Whole-Process Quality Control

In order to continuously improve food safety management levels, we have whole-process control over product quality. From supplier selection, production, logistics and transportation to store operation and near-to-expiry product handling, we follow Zhou Hei Ya's quality control standards and objectives strictly. During the Reporting Period, we optimized the product quality control process and strictly controlled the production process to ensure food quality and safety.

Before production	During production	After production
<ul style="list-style-type: none"> • New product testing, supplier selection and management, product launch verification, product verification, and exception handling. • Providing training for suppliers of raw and auxiliary material to share industrial experience. • Conducting quality and food safety culture research, identifying weaknesses, and making improvements. 	<ul style="list-style-type: none"> • Monitoring the production process in terms of personnel, machines, methods and environment, and developing a food safety management manual and quality red lines as institutional safeguards. • Convening weekly meetings to address product quality issues. • Conducting inspections and spot checks according to the frequency of quality control monitoring system. 	<ul style="list-style-type: none"> • Organizing leaders of individual regions to study food safety regulations. • Appointing the first person responsible for food safety and promote a mechanism of "daily control, weekly inspection and monthly scheduling".

Zhou Hei Ya Whole-Process Quality Control

We believe that food safety is critical. We pay attention to every stage of production. We have established a scanning and traceability system to ensure that products are traceable throughout their chain, from production labeling, code scanning, statistical scanning and warehousing to scanning for finished products upon stock-in, scanning by sorting machines or by people upon stock-out, and to scanning upon sale in stores.

2.1.3 Quality Culture Construction

We continue to optimize the quality culture training system and enhance employees' quality awareness by various means. During the Reporting Period, we continued with the quality keeper mechanism and set up annual quality awards for factory units and awards for foreign matter control in production, encourage employees at all levels to participate in the Group's quality control and pay attention to product quality in details.

Zhou Hei Ya Quality Gatekeeper Mechanism

In order to improve customer experience and reduce adverse effects of product problems, we have set up a quality gatekeeper award since 2021. Workers of stores check the final quality of products before sale, and are awarded for their selection of defect products according to the standards.

It greatly motivates front-end sales personnel to control product quality, and helps improve quality of products on the sales end.

Food safety is the lifeline of our Company and ensuring food safety is our solemn commitment to consumers. We strengthen product quality training for employees, improve their attention to the importance of food safety, and ensure high safety and quality standard of our products.

Comprehensive Enabling by Quality Training

Zhou Hei Ya provided "March 15th Customer's Day" training. We provided training in various fields from product design to sales and after-sale service, to enhance business units' understanding of "March 15th Customer's Day" related knowledge and professionals' ability to apply quality-related knowhow.

Meanwhile, food safety directors and workers received an online mock exam to urge them to study and progress in order to continuously improve their food safety awareness and risk control.



Training for Trading Food Safety Workers

We have formulated a training program and provided the *Basic Training for Trading Food Safety Workers*, the *Training on Store Food Safety Risk Control and Inspection Skills*, the *Training on Store Quality Red Line Management*, and the *Training on Store Supervision and Sampling Risk Prevention Management* in order to improve food safety workers' skills.



Professional Quality Improvement Camp for Quality Inspectors

In order to improve our quality inspectors' professionalism, we have developed a series of targeted training and skill assessment plans with Hubei Institute of Product Quality Supervision and Inspection and organized a series of training and assessment in the "Professional Quality Improvement Camp for Quality Inspectors" to provide continuous support and motivation for the professional growth of quality inspectors.



2.2 Product Innovation

We focus on three core areas of iterative research of new product development, extension of product line and innovation of new taste, aiming to bring consumers a new taste experience through product innovation and provide consumers with more diversified product choices.

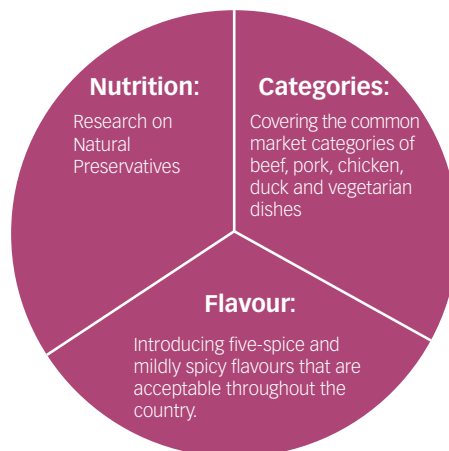
2.2.1 Product Development

We adhere to the concept of consumer-oriented product development. Through technological tools and other means, we have gained accurate insights into the needs of consumers, so as to determine the direction of product development and maintain the attractiveness of its products to consumers.

Zhou Hei Ya have established a business opportunity insight model for accurate insight into consumer needs.

In 2023, we established the “Business Opportunity Insight Model for New Products” for the first time. We used data tools on the online platform to rate new products that we intended to develop from three dimensions, e.g. market opportunity, traffic structure and demand & supply. We used this model and online-platform data tools to select better blue ocean trend tracks for us and helped brand users’ assets continue to grow.

We enrich product categories to meet diversified consumer demands and improve consumer experience concerning product nutrition, category and taste, etc.



Overview of Zhou Hei Ya Product Innovation in 2023

We pursue the concept of health, nature, and green, and strive to provide consumers with healthy food. We have formulated the *Risk Monitoring Plan for Raw and Auxiliary Materials and Finished Product Additives* to monitor and control food additives of raw and auxiliary materials from the perspective of product development. We have conducted antibacterial tests on chemical, biological, and natural preservatives in food additives to explore their antibacterial ability against dominant bacterial groups such as *Escherichia coli*. We have developed natural preservatives with the same antibacterial ability and range of bacteriostatic inhibition as chemical preservatives.

We continue to expand product categories to enrich consumer choices. With the development and marketing of barbecued shrimp ball products, the range of shrimp ball products has been expanded to increase consumers' choice. In addition, we have carried out in-depth research and development around chicken feet, a popular product among consumers, and launched paste-peppered chicken feet with an innovative flavor coming from western Sichuan, which has been loved and recognized by consumers.



Zhou Hei Ya Shrimp Balls



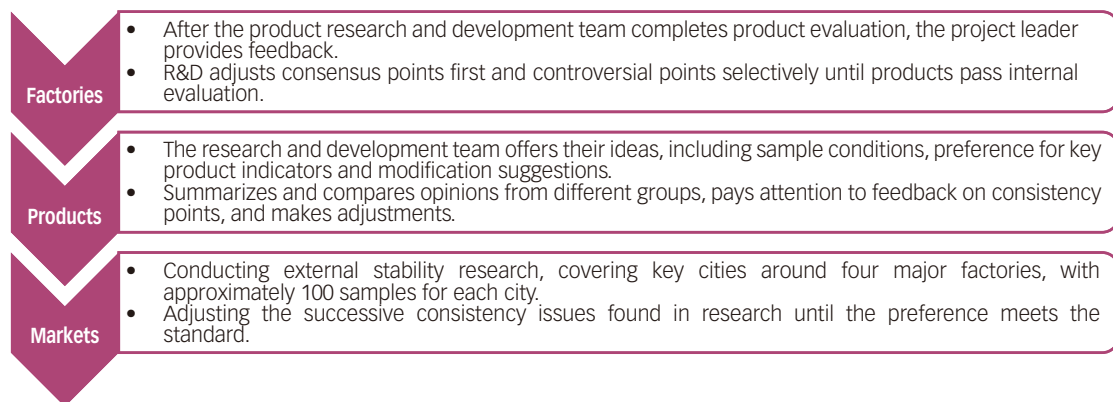
Zhou Hei Ya Chicken Feet

We strive to meet the needs of different consumers for tastes, and introduce new flavors of five spices and slight spiciness. Since the launch, “Spicy for Greedy” Series has received much attention online: 2.69 million discussions on Little Red Book and more than 120 million on TikTok.



Poster of Zhou Hei Ya Spicy for Greedy

In addition, in order to improve the taste of products and make them more delicious, we control raw materials and processes strictly in our factories, innovate flavor formula of products. On the market side, we actively collect feedback from consumers, so that they can enjoy more delicious Zhou Hei Ya products.



Zhou Hei Ya Taste Upgrading

2.2.2 Intellectual Property Protection

We are committed to protecting our product patents and take measures to provide our intellectual properties. We comply with the local laws and regulations, formulate and optimize the *Intellectual Property Management Measures* to diversify products and conduct innovative research.

During the Reporting Period, the Group applied for 52 trademark registrations for new products; handled 53 trademark licensing contracts, including “Zhou Hei Ya”, “Suo Xian” and “Zhou Xiao Ban”; and applied for 16 patents of product packaging, product R&D process and equipment designed by this company.

We never hesitate to protect our own rights and interests from any infringement by legal means. In 2023, we handled 749 cases and closed 212 ones in relation to rights protection, receiving RMB2,242,000 as compensation for intellectual property.

2.3 Supply Chain Management

We strive to build a sustainable and clean value chain together with our suppliers. Adhering to the principles of fairness, impartiality and openness, we are committed to integrating sustainability and integrity into the Company's supplier management system. We work with our upstream and downstream suppliers to collectively assume ESG responsibilities and create a healthy industrial ecosystem.

During the Reporting Period, the Group established cooperation with 260 suppliers of raw materials, auxiliary materials and packaging materials. Among them, there are 178 non-local suppliers and 82 local suppliers representing 31.54%.

2.3.1 Supplier Management System

To build a responsible and sustainable supply chain, we have established a comprehensive supplier management system and optimized the *Supplier Management Regulations* and the *Supplier Performance Assessment Standard*.

We have built a supplier lifetime management system covering supplier access, performance assessment, evaluation and delivery, etc. Based on the strategy of classification and hierarchical management, we select those suppliers with strong willingness, capability, products and services to increase cooperation, forming a favorable value chain.



Zhou Hei Ya Supplier Management System

Zhou Hei Ya Flight Inspection for Suppliers

In 2023, we conducted a comprehensive semi-annual flight inspection for our major suppliers of raw, auxiliary, and packaging materials. The flight inspection covered 90% of suppliers, which covered foreign object management, record abnormality and production non-compliance, etc.

In response to different abnormalities, we issued a report of our suggestions, formulated targeted measures of rectification, and held responsible individuals accountable. Meanwhile, those suppliers are subject to long-term monitoring and random inspections in the future. Suppliers are required to issue and return a rectification report within the required period.



2.3.2 Supplier Risk Control

To ensure the stability of the supply chain and strengthen suppliers' capacity to combat risks, and reduce potential risks in the supply chain. During the Reporting Period, we upgraded the *Emergency Procurement Handling Regulations*, etc., in order to classify and control risks for different procurement scenarios.



Advance procurement and reservation of raw materials are intended to reduce uncertainties of delivery and quality, etc. so that supplier risks can be controlled.



For suppliers of main raw and auxiliary materials, we cooperate with two or more to reduce risks, e.g. supply interruption, quality issues or price increase.

Supplier Risk Control Initiatives

In addition, we also pay attention to the food safety risks of our suppliers. We strictly enforce factory inspection standards and will directly return products from suppliers that have not passed inspection and pose safety risks. Meanwhile, our centralized testing laboratory conducts comprehensive tests on heavy metals, drug residues and other key indicators of our products to ensure that procurement risks are effectively controlled.

2.4 Customer Service

We pay close attention to quality and taste of our products, with customer service always coming first. Based on marketing with compliance, we continuously improve the brand value and enhance consumers' awareness and affection of our brand. Meanwhile, we continue to optimize and upgrade customer service experience, so that every customer can feel our sincerity.

2.4.1 Marketing with Compliance

We unify the publicity standard by formulating and implementing the *Regulations on Publicity Materials Management*, review the information of our publicity through the *Approval Process of External Publicity Materials*, and regulate advertising through the *Regulations on Advertising Launch* to ensure that all marketing activities comply with legal requirements, product details are accurate, and avoid misleading customers.

On the basis of marketing with compliance, we conducted cross-border marketing and content marketing during the Reporting Period in order to shape brand image, enhance consumers' affection and loyalty to wards our brand, and build more novel, personalized and empathetic consumption scenarios. Through omni-channel promotion and marketing activities, we conveyed our product features and brand concept, established in-depth interactions with consumers, and enhanced communication with young people in order to comprehensively improve brands' market value and impact.



Zhou Hei Ya's Co-Branding with Honor of Kings

In terms of brand marketing, we cooperated with Honor of Kings, which has a high degree of user overlap with us, based on our diversified product strategy and youth-targeted brand marketing strategy.



Summer Vacation and Scratch card Promotion

During the summer vacation, we offered low-price discounts, e.g. RMB9.9 for chicken legs or RMB39.9 for 3 boxes. In the fourth quarter, the scratch card promotion was launched.



Appetizer Series

With the change of consumption trend in the post COVID-19 era, we launched RMB9.9 Sweet and Spicy Chicken Drumsticks and Dry-fried Spicy Chicken, etc. for the summer vacation, Mid-autumn Day and National Day.



Zhou Hei Ya Super Wednesday, Two for One.

Refined brand operation and concentrated promotion resource help create a brand event "Zhou Hei Ya Super Wednesday".

During the Reporting Period, Zhou Hei Ya won the Top 100 Food Brand Award in 2023, and a number of products won the Superior Taste Award.



Top 100 Food Brand Award 2023



iSEE Slightly Spicy Duck Neck – Superior Taste Award (5 stars)



iSEE Slightly Spicy Duck Collar Bone – Superior Taste Award (3 stars)



iSEE Slightly Spicy Duck Wing – Superior Taste Award (2 stars)



iSEE Spicy Crawfish Balls, Garlic Crawfish Balls – Superior Taste Award (2 stars)

2.4.2 Service Improvement

High-quality Service

By adhering to the business philosophy and advocating the corporate culture of “Customers First”, we attach importance to consumer experience management, adhere to customer-centricity as the long-term guiding ideology of our service provide customers with various value-added services, and continue to create a warm and responsible brand image.

The Group adheres that service creates value, so we serve customers wholeheartedly and ensure high-quality customer service. During the Reporting Period, we continuously improved customer experience from two aspects of customer service and delivery efficiency.

Professional Customer Service

- We regularly provide case training for Customer Service staff to enhance their problem-solving skills.
- We analyze customer evaluation, optimize service process from customers' view, and improve service quality and customer experience.
- We find out and learn best practices by comparing peer ratings and simulating customer experience, etc.

Efficient Logistics Distribution

- By analyzing logistics of individual regions monthly and adjusting strategies timely, we aim to improve the efficiency of pick-up and delivery, ensuring that products are delivered to customers within approximately 48 hours of ordering.
- Provide customized transportation and delivery service for special orders, e.g. group buying, in order to meet different customers' needs.

Zhou Hei Ya Key Service Improvement

All-star Service Competition

To stimulate the enthusiasm of front-line employees and further improve service quality, we conducted monthly and quarterly All-star Service Competitions in 2023, which received favorable comments from our employees. A total of 27,810 people participated in the competition, accounting for 97.5% among the total. Intense competition and professional evaluation not only help front-line employees to enhance their service awareness, but also improve their service skills, which successfully improve the service quality and reduce customer complaints.



In order to continuously improve service quality, we have provided a number of training sessions on service improvement. During the Reporting Period, we provided 56 service training sessions, covering topics such as store operation standard and store service skills, for 14,874 attendees.

Zhou Hei Ya Store Sales Service Training

Through the Zhou Hei Ya store sales service training, we require all employees to master the product knowledge, improve communication skills, and achieve better customer satisfaction and loyalty with sincere smiles and professional services.



In 2023, we made efforts to improve service quality, conducted customer satisfaction surveys, and won favorable comment from customers. Meanwhile, we made rectifications against the problems found in the surveys to meet customers' diversified needs and strove to make every customer enjoy satisfactory shopping experience.

Surveyed Products	Results of Surveys	Improvement Direction
Slightly spicy products	<ul style="list-style-type: none"> • 11 surveys at the North China factory with an average preference of 92%. • 14 surveys at the Wuhan factory with an average preference of 88%. • 14 surveys at the East China factory with an average preference of 86%. • 16 surveys at the South China factory with an average preference of 81%. 	<ul style="list-style-type: none"> • Appearance: shape, moisture, etc. • Flavor: Spiciness, salinity, etc.
Shrimp ball products	<ul style="list-style-type: none"> • 87% favoring spicy shrimp balls through 2 surveys. • 87% favoring barbecued shrimp balls through 3 surveys. • 87% favoring fragrant shrimp balls through 4 surveys. • 85% favoring minced-garlic shrimp balls through 3 surveys. 	

Response to Customer Complaints

To ensure the continuous improvement of customer satisfaction and shopping experience, we have developed and implemented the *Regulations on Customer Complaint Handling and Public Opinion Control*, which specifies our complaint channels and classification criteria. Combining the existing online and offline complaint prevention and control processes, we ensure that consumer complaints can be resolved promptly and effectively.

During the Reporting Period, we focused on improving the efficiency and accuracy of customer complaint handling. We classified all complaints, analyzed the causes, and developed the solutions, aiming to provide customers with a better shopping experience.

Complaint Channels

- To ensure convenience and timeliness of customer complaint channels, we receive and accept complaints through multiple channels like customer service hotline, WeChat official account, Weibo, the Company's mailbox, and online and offline stores, etc.

Optimizing Complaint Handling Process

- We have established a dedicated complaint handling process, and update and optimize the relevant documents on a real-time basis.
- We have established a cross-departmental team to handle various complaints.
- Customer First, Compensation in Advance.
- After handling complaints, we contact customers for their satisfaction and approach them again if they are not satisfied.

Analyzing Reasons for Complaints and Making Improvements

- Regularly summarizing customer complaints, analyzing reasons of complaints, contacting the responsible department for rectification if product or service problems are involved, and following up the rectification results to promote the continuous optimization of products and services and improve consumer experience.

Zhou Hei Ya's Complaint Management Mechanism

During the Reporting Period, the Group's 400 customer service hotlines received a total of 625 complaints on products and services, 99.04% of which were handled. There have been no recalls of sold or shipped products for safety and health reasons.

2.4.3 Privacy Protection

We have formulated the *Zhou Hei Ya Privacy Agreement* to ensure that all employees have good knowledge of their responsibilities and legal obligations when dealing with customers' sensitive data. Meanwhile, we have kept it updated and adjusted in accordance with the latest requirements of the *Personal Information Protection Law of the People's Republic of China*. In addition, we took measures to protect customer privacy and ensure data security. During the Reporting Period, we did not receive any complaint from customers regarding privacy protection.

Advanced Safety Technology

- We have invested in the latest security technologies, including end-to-end encryption, firewalls, intrusion detection system, and security event management system, to protect our data assets from network attacks and unauthorized access.

Strict Access Control

- We have implemented a Role-Based Access Control (RBAC) system to ensure that employees can only access a minimum amount of data required for their work. In addition, all access to sensitive data is recorded and monitored.

Data Leak Emergency Response Plan

- We have developed and tested a comprehensive data breach and privacy incident response plan so that we can quickly take actions and reduce losses in case of any data security incident.

Privacy Protection Actions

In order to enhance employees' awareness of information security and privacy protection, we provided three training sessions on data security and privacy protection during the Reporting Period, with topics including on the correct handling of personal information and sensitive data, best practices and protective measures for cybersecurity, privacy compliance and updating of legal provisions. The training helped establish a data protection culture that involves all employees and provides a solid foundation to avoid data security incidents.

Zhou Hei Ya Training for Best Practices and Protective Measures of Cybersecurity

On May 16th, 2023, we provided training on best practices and protective measures for network security, which covered the basic knowledge of cybersecurity, e.g. password management, anti-virus measures, and anti-phishing attacks, how to use security tools to protect data, identification and notification process of data leakage, countermeasures, and recovery after data leakage.



Green Development

3.1

Climate Change Risks

3.2

Environment Management

3.3

Green Operation

3.4

Use of Resources



In response to the national strategy of carbon peaking, carbon neutrality and green ecology, we regard environmental protection as the key support for our sustainable development, practice the concept of sustainable development, promote measures of energy conservation, carbon reduction and efficiency increase, and ensure that the green concept go through our overall strategy and whole process of food production and sale.

3.1 Climate Change Risks

While promoting green development, we firmly respond to the national targets of carbon peaking and carbon neutrality by making climate change risk identification a nuclear part of its corporate management. According to the TCFD's (Task Force on Climate-related Financial Disclosures) Guide, we roundly assessed and identified climate change risks and opportunities, and developed concrete countermeasures. While reducing future risks, we actively explore the direction of low-carbon transition, and continuously improve our ability to cope with climate change.

3.1.1 Climate Change Governance

We incorporate climate change governance functions into our three-tier ESG governance structure, establish a transparent communication mechanism, efficiently bridge all levels of management, and improve the effectiveness of climate change governance.

Board of Directors

- Developing management strategies for climate risks and opportunities.
- Supervising and reviewing the effectiveness of management methods.

Audit Committee

- Reviewing and approving climate related objectives, and tracking implementation of performance objectives.
- Identifying and managing budgets, resources, and investments for identifying, mitigating, and monitoring climate related issues.

ESG Working Group

- Identifying risks and opportunities related to climate change.
- Promoting implementation of climate change risk management and climate-related management strategies.

3.1.2 Climate Change Strategy

We formulate climate change management strategies in a scientific manner. Based on the climate scenario analysis, we identify and evaluate climate change risks and opportunities. We have identified our physical and transformation risks, as well as opportunities related to energy, products, and services. The physical risks include acute and chronic risks, while transformation risks include policy, legal, technological, market, and reputation risks. Meanwhile, we have developed management strategies and implementation plans. Based on the identified risk exposures and the existing risk management plans, we have developed management strategies to address climate change.

Risk category	Risk sub-category	Risk	Risk description	Mitigation and adaptation measures
Physical risk	Acute risk	Floods (including storms, increased rainfall, and river overflows)	<ul style="list-style-type: none"> • Rainstorms and floods cause serious damages to the infrastructure and equipment of the operation sites, factories and stores. The interruption of power supply requires immediate evacuation of personnel, resulting in suspension of operation, significant loss of assets, and decrease in sales revenue; • Rainstorms and floods have an adverse impact on the logistics and supply chain, preventing delivery of products to stores. This not only impairs product quality, but also leads to inventory backlog, which increases operating costs and decreases sales revenue; • Rainstorms and floods also have a devastating impact on the supply chain of raw materials, resulting in serious shortage of raw materials, which lowers sales, increases procurement cost and reduces profitability. 	<ol style="list-style-type: none"> 1. Develop detailed contingency plans for different physical risks; 2. Introduce the platforms of Early Warning 12379 and China Meteorological Administration's website in order to shorten the warning-response time; 3. Introduce the concept of local management for extreme weather warning, according to which the Headquarters give a 10-day warning to remind operators. In response to extreme weather conditions, we adjust delivery time, stores' working hours, and employees' commuting time flexibly. Meanwhile, we issue safety warning notices in advance and provide seasonal special training to reduce accident occurrence and ensure production stability and operation order; 4. To ensure the stability and diversity of supply chains, we have at least two or more suppliers for each type of raw and auxiliary materials, and main raw materials must originate from several regions and suppliers; 5. Actively respond to the challenges of global climate change and set up clear objectives for greenhouse gas emission reduction; 6. Take energy-saving and emission-reducing measures to reduce the impact of our operation on environment; 7. Establish strict packaging standards for modified atmosphere packaging products in response to extremely hot weather, and specify the quantity and size of external packaging and fresh-keeping ice bags to ensure quality and safety; 8. Considering the potential risk of heavy snow and road closures in Northeast China as cold winter approaches, we buy and store local raw materials in advance to ensure smooth operations.
	Acute risk	Drought	<ul style="list-style-type: none"> • Drought may cause water shortage, leading to an increase in water costs. In addition, insufficient water supply increases overall operating costs. 	
	Acute risk	Strong wind/cyclone/typhoon	<ul style="list-style-type: none"> • Due to the complexity and uncertainty of forecast, typhoons often cause damage to the infrastructure and related equipment of operating sites, factories, and stores, leading to continuous interruption of operations and significant loss of assets; • Under extreme weather conditions, employees are often unable to work outdoors, and prevented from commuting. This not only poses risks to the safety and health of employees, but also has adverse effects on operational efficiency, thus increasing the operating cost. 	
	Acute risk	Extreme heat	<ul style="list-style-type: none"> • Extreme high temperature may have adverse effects on the health of ducks, e.g. causing heatstroke and diseases, thus reducing their reproduction. This not only affects product quality, but also lowers profitability; • With extreme high temperature, products may be deteriorated significantly during transportation. This increases transportation cost and food waste, thus raising the operating costs. 	

Risk category	Risk sub-category	Risk	Risk description	Mitigation and adaptation measures
Physical risk	Acute risk	Extreme cold	<ul style="list-style-type: none"> • Extreme cold weather may have adverse effects on duck farming, thus leading to a shortage of raw materials and a significant increase in costs; • Extreme cold weather often leads to heavy snow and road closures, thus delaying transportation of raw materials and interrupting the supply chain. 	
	Chronic risk	Extreme fluctuations in weather patterns and changes in rainfall patterns	<ul style="list-style-type: none"> • It is very possible for unstable weather to have a profound impact on the types and quantities of raw materials and products. For example, it may lead to a significant decrease in aquaculture production, thus resulting in drastic fluctuation in sales prices. 	
	Chronic risk	Sea level rise	<ul style="list-style-type: none"> • The existing stores are located on the coast of East China and South China, including the operational centers in Guangdong and Jiangsu. According to our prediction, these areas will face a serious threat of rising sea by the end of the 21st century (2081-2100), which may flood the operating premises and stores (2081-2100). 	
	Chronic risk	Temperature rise	<ul style="list-style-type: none"> • It is expected that the average temperature will rise by 4-6°C in the said regions by the end of the 21st century (from 2081 to 2100). The significant increase in temperature will affect production equipment, refrigeration system, human resource and products. 	

Physical Risk and Adaptation Measures to Climate Change

Risk category	Risk sub-category	Risk	Risk description	Mitigation and adaptation measures
Transition risk	Policies, laws and regulations	Requirements and regulations concerning existing products and services	<ul style="list-style-type: none"> In the implementation plan for controlling greenhouse gas emissions during the 14th Five Year Plan period in Hubei Province, it is emphasized that a green manufacturing system will be established for green products, green factories and green parks. With the increasingly strict requirements and supervision of national and local policies on environmental performance of products and factories, it is expected that policies will be further tightened in the future, which may increase operation costs. 	<ol style="list-style-type: none"> Strictly comply with relevant national and regional requirements and regulations; Set specific GHG emissions targets and promise to achieve carbon neutrality by 2060; Regular disclosure of GHG emissions; Actively develop and innovate green and low-carbon products; Take energy-saving and emission reduction initiatives to reduce GHG emissions across all operations and supply chains.
	Policies, laws and regulations	Increasing GHG emissions pricing	<ul style="list-style-type: none"> Governments are committed to fulfilling their emission reduction commitments within the framework of the Paris Agreement. In this context, China has launched a nationwide carbon emission trading market. As more industries and enterprises are incorporated into the trading system, it is expected that the cost of carbon emission exceeding the quota will continue to rise. 	
	Policies, laws and regulations	Strengthen emission reporting obligations	<ul style="list-style-type: none"> With the continuous improvement and implementation of carbon emission management and carbon trading mechanisms, the national and local requirements for this Group's emission reporting become stricter and stricter. 	
	Technology risk	Front-end cost of transition towards low-carbon emission technology	<ul style="list-style-type: none"> In order to meet government emission reduction requirements and consumer demand for environment-friendly products, we need to control product carbon emissions and may increase research and development of new technology and update production equipment. These measures may increase costs in a short term. 	
		Failed investments in new technologies	<ul style="list-style-type: none"> The 14th Five Year Plan emphasizes green transformation, and carbon emissions are strictly controlled by the government, which requires this Group turn to low-carbon technology and invest in energy conservation and emission reduction. However, the timing and outcome of technology development and application are uncertain, which may affect the return on investment in technology. 	
	Market risk	Changes in customer behavior	<ul style="list-style-type: none"> Because of climate change, consumers pay more attention to green food, greenhouse gas emissions from animal husbandry and industry, and the environmental impact of animal husbandry. This may affect customers' choice and even lead them to choose plant proteins, which poses a threat to our revenues; To meet customers' demand for low-carbon service and green products, and accelerate the transition to carbon neutrality, we may increase expenses of research, development and operation. 	

Risk category	Risk sub-category	Risk	Risk description	Mitigation and adaptation measures
Transition risk	Market risk	Uncertain market signals	<ul style="list-style-type: none"> Climate change may have adverse effects on the quality and quantity of raw materials, making it impossible to ensure steady product quality and continuous supply, thus posing a potential threat to our revenues; The emergence of alternative products and the uncertainty of upstream and downstream partners and consumer dependency may have unforeseeable impacts on the business development of this Group. 	
		Rising raw material costs	<ul style="list-style-type: none"> Rising temperature may have serious impacts on animals; exceeding their tolerance limits may cause heat stress and an increase of demand for energy and water, and affect weight gain and reproductive ability, thus increasing the cost of raw materials; Extreme weather may interrupt supply chain and transportation, resulting in raw material shortage, rising cost and revenue reduction. 	
	Reputation risk	Change of customer preference	<ul style="list-style-type: none"> Consumers may spread negative opinions about Zhou Hei Ya, which may impair our brand reputation; If we fail to meet customer expectations in sustainable development areas, e.g. energy conservation and consumption reduction, and fail to become a low-carbon benchmark in the industry, the existing customers may choose to cooperate with our competitors. This will lead to the loss of our customer base. 	
		Stakeholders' increasing concern about negative feedback	<ul style="list-style-type: none"> If our environmental performance and information disclosure are not good, investors and customers may turn to our competitors, thus decreasing revenues; Investors are paying more attention to our performance in utilization of new energy and renewable energy, and have put forward their requirements; As customers and investors pay more attention to our environmental performance, our failure to comply with regulations may cause a loss of contracts and investments 	

Transition Risk and Adaption Measures to Climate Change

3.1.3 Environmental Targets

In order to implement the concept of sustainable development and strengthen environmental management, we have established a goal-oriented management mechanism. We have set four core environmental goals, including greenhouse gas emission management, water resource management, energy management, and waste management. To achieve the goals, we have set specific goals for factories and operational processes. Also, we have established a goal review and performance evaluation system to monitor the progress of target achievement, ensuring effective supervision of targets.

Greenhouse Gas Emission targets	Water Consumption target	Energy Consumption targets	Waste Discharge target
<ul style="list-style-type: none"> Reducing greenhouse gas emissions from all businesses and supply chains. Realizing carbon neutrality by 2060. 	<ul style="list-style-type: none"> The pass rate of sewage discharge sampling is greater than 99%. The daily average pass rate of online sewage monitoring is 100%. 	<ul style="list-style-type: none"> The average monthly power consumption per ton of products is less than 1,850 kWh. The monthly average oxygen consumption per ton of products (including natural gas and steam) is less than 450 m³. 	<ul style="list-style-type: none"> The compliant disposal rate of solid waste is 100%. The recycling of cardboard boxes is 100%.

Environmental Targets of Zhou Hei Ya

3.2 Environment Management

To ensure legal and compliant operation, we comply with the laws and regulations of the locations in which we operate, identify any change in regulations concerning environment cleaning, energy conservation, clean production, air and water pollution, conduct compliance assessment, optimize and update our environmental management system accordingly. To ensure efficient environmental management, we have formulated and revised environmental management systems, e.g. *Management System for Company Landscaping and Environmental Management*, the *Regulations of Hazardous Waste Management*, and the *Emergency Plan for Environmental Crisis*, which provide strong policy support for our sustainable development.

In order to fulfill the concept of environmental protection and sustainable development, we continue to promote environmental management system certification to ensure high standard and quality of environmental protection. Our four industrial parks in the provinces of Hubei, Hebei, Guangdong and Jiangsu have passed the ISO 14001 environmental management system certification.



ISO 14001 Environment Management System Certification

During the Reporting Period, we not only improved our internal environmental management system, but also proactively promoted environmental protection by upgrading environmental protection equipment and improving production equipment efficiency. During the Reporting Period, our investment in environmental protection was RMB560,000, demonstrating our attention to and support for environmental protection.

During the Reporting Period, we neither had a significant impact on the environment and natural resources, nor did we experience any environmental accidents or receive any administrative penalties related to environmental protection.

3.3 Green Operation

We adhere firmly to national regulations. Our key task of green operation is always to reduce emissions of waste gas, waste water and hazardous waste. Based on the responsibility system, we explore innovative management method and focus on pollution prevention and control. We are committed to improving green production capacity and minimizing the impact of production and operation on the environment.

3.3.1 Waste Gas Control

To ensure compliance of business operation, we comply with the *Law of the People's Republic of China on Air Pollution Prevention and Control*, the *GB 13271-2014 Emission Standard of Air Pollutants for Boiler*, the *GB 18483-2001 Catering Industry Oil Fume Emission Standard (Trial)*, and exhaust gas emission standards. To further standardize internal management, the Group continuously updated and optimized internal management procedures such as the *Procedures for Waste Water, Exhaust Gas and Noise Control*. Furthermore, we continue to carry out green measures to reduce exhaust emissions and strive to achieve more environment-friendly operation goals.

Odor Treatment at Wastewater Treatment Plants

We adopt a waste gas purification process of alkali washing tower and activated carbon adsorption, where waste gas is absorbed and purified through alkali washing tower, multi-stage defogging and activated carbon adsorption. Finally, treated waste gas is discharged to high altitude from a chimney. The processing capacity is 15,000 m³/h. By using this equipment to collect and treat the unorganized exhaust gas from the sewage treatment plant, we have effectively controlled the odor of the wastewater.



During the Reporting Period, the Group's total exhaust emissions were 7,845,533 m³, representing a decrease of 64%² with 2022, and all the exhaust emissions emitted up to the standard.

² In 2023, the energy of the Wuhan factory was purchased steam instead of natural gas, which resulted in a significant decrease of exhaust emission.

3.3.2 Wastewater Management

In the production and operation process, we strictly comply with the *Law of the People's Republic of China on Water Pollution Prevention and Control* and the *Discharge Standard of Water Pollutants for Meat Processing Industry*, etc. Targeted treatment is made for wastewater generated in each factory, and types and concentrations of pollutants are monitored on a real-time basis. During the Reporting Period, we did not experience any water source pollution or related penalties.

Source control

- Building oil separation facilities, collecting waste oil and grease, and inviting third-party professionals for recycling and treatment, in order to reduce sewage treatment.

Process optimization

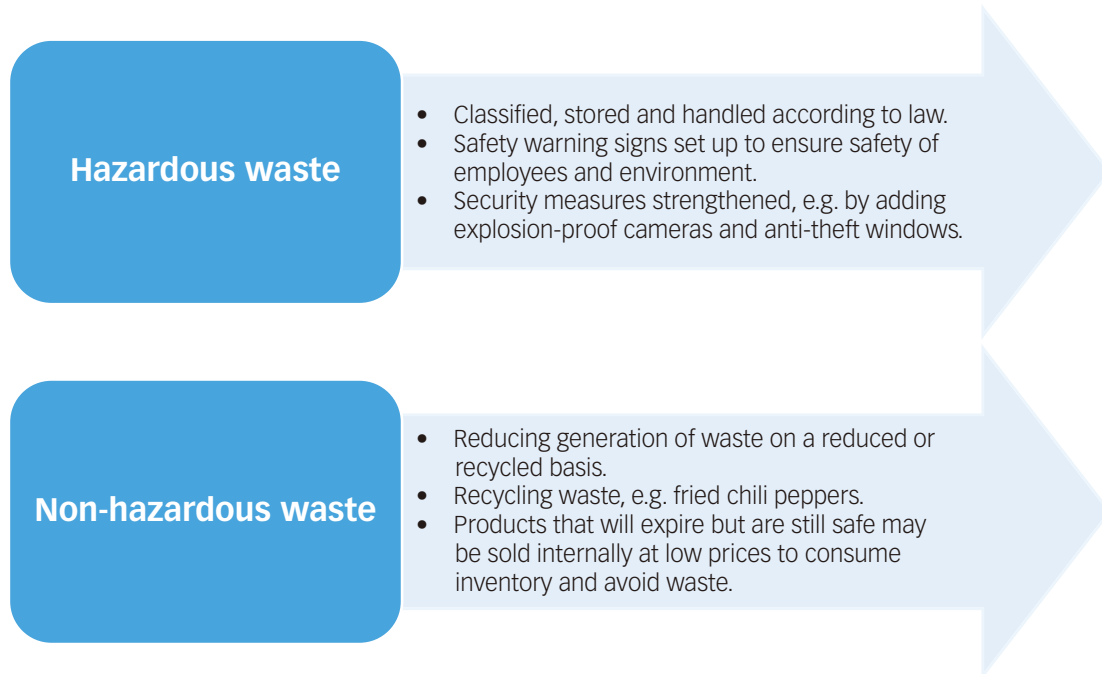
- Refining the operating procedure for brine recovery in workshops, and strengthening recovery and utilization of brine.
- Optimizing the production process by recycling and reusing, instead of discharging, soy sauce used in production.

Wastewater Optimization Initiative in 2023

Discharge Amount of Wastewater and Pollutant	Unit	2021	2022	2023
Wastewater discharge	tonne	479,280	427,848	435,836
COD discharge	tonne	96.02	44.49	51.59
Ammonia nitrogen discharge	tonne	1.30	1.64	1.37

3.3.3 Waste Management

In the production and operation process, the Group strictly implements the requirements of the *Law of the People's Republic of China on Solid Waste Pollution Prevention and Control*, the *Environmental Protection Law of the People's Republic of China* and etc. To adapt to our business development and the change in compliance requirements, we have formulated the *Measures for Solid Waste Management* and the *Procedures for Waste Management* in order to optimize management of and reduce generation and emission of waste. In October 2023, Zhou Hei Ya won the honor of "Waste-free Factory" in Wuhan as the first batch.



Waste Classification Management

During the Reporting Period, the data of waste was as follows:

Solid Waste	Unit	2021	2022	2023
Non-recyclable industrial solid waste	tonne	1,024	880	917
Recyclable industrial solid waste	tonne	2,691	1,901	2,607
Household waste	tonne	1,707	7,534	1,415
Total amount of non-hazardous waste	tonne	8,234	12,699	6,584
The amount of non-hazardous waste per RMB10,000 revenue	tonne/RMB10,000	0.03	0.05	0.02
Total hazardous waste generated	kg	3,298	3,171	26,380 ³
The amount of hazardous waste per RMB10,000 revenue	g/RMB10,000	11.49	13.53	96.15

³ The increase in the total amount of hazardous wastes in 2023 was due to the removal of the thermal oil boiler at the end of 2022 and the generation of a batch of thermal oil in 2023.

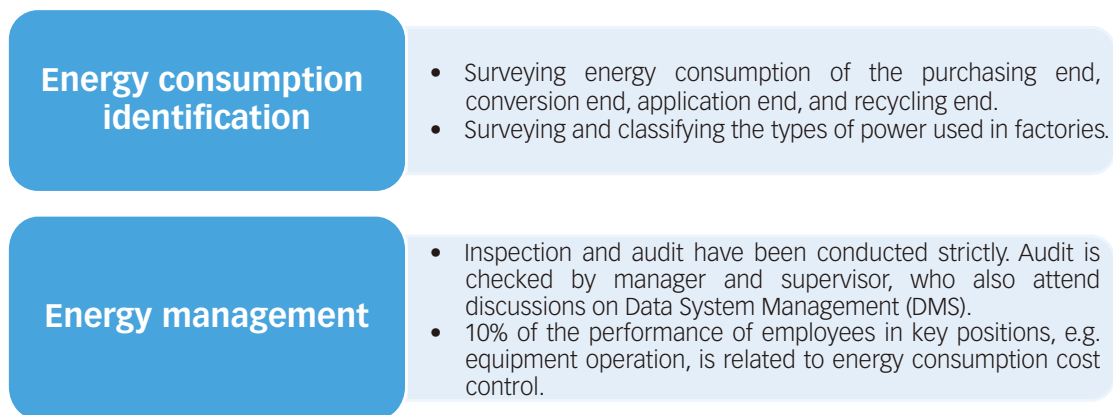
3.4 Use of Resources

The Group is committed to efficient use of resources, environmental protection and conservation. Through a series of measures such as reducing water use, optimizing packaging materials and adopting advanced energy technologies, we have improved the efficiency of resource use and contributed to a greener future.

3.4.1 Energy Management

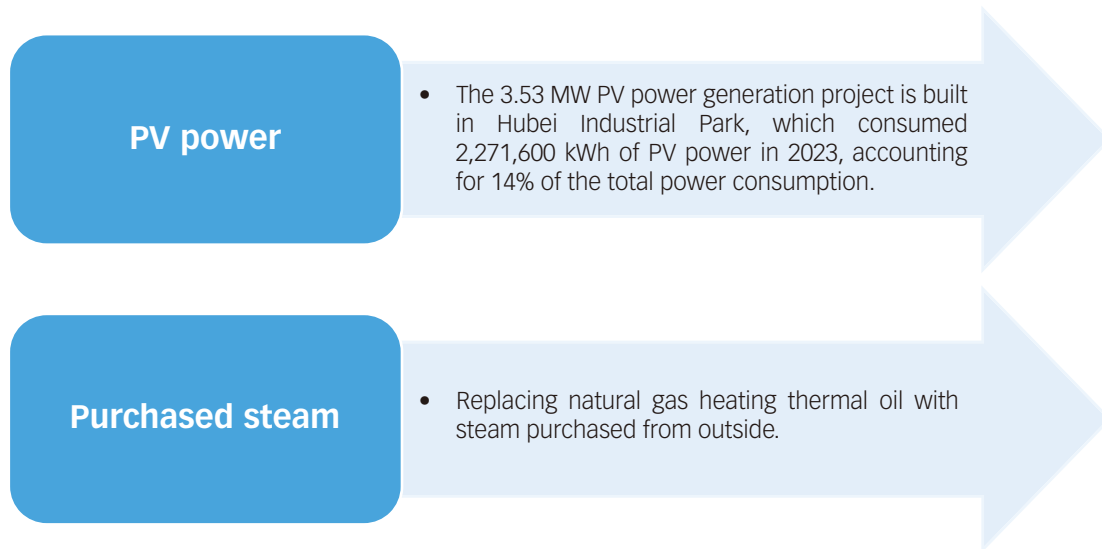
In terms of energy management, we strictly comply with the *Law of the People's Republic of China on Energy Conservation*, and continue to optimize our regulations, e.g. the *Energy Resource Management Procedures* and the *Energy Assessment Mechanism*. We have clarified the responsibilities of individual departments and energy management personnel, and further improved our energy management mechanism.

We have established an energy management matrix model, focusing on the data of power and thermal energy consumption. During the Reporting Period, we enabled the energy management matrix model from energy consumption identification and energy consumption management, and promoted construction of the energy consumption operation system continuously.



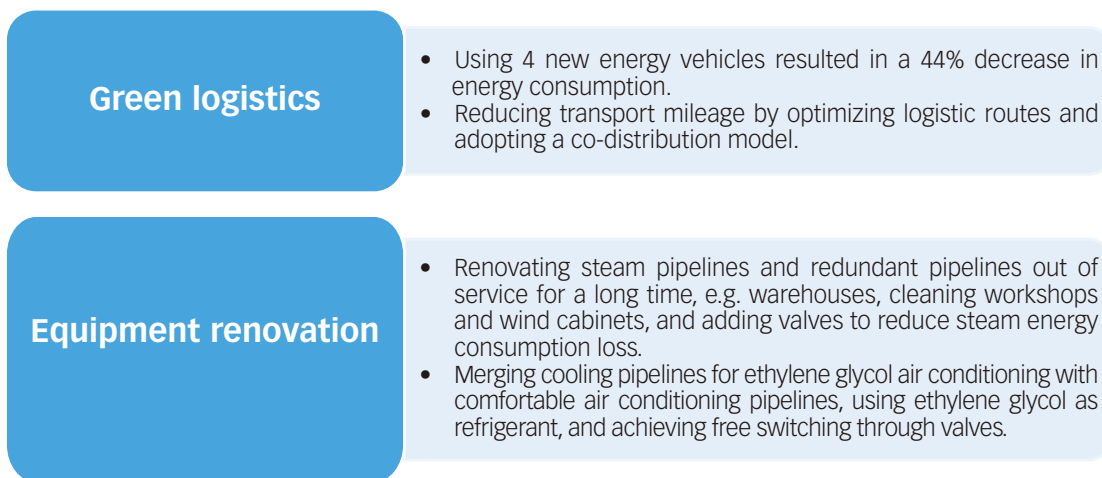
Zhou Hei Ya energy management matrix model

Driven by the construction of energy consumption matrix management system, we also take a series of energy substitution measures proactively. We carry out photovoltaic (PV) construction in our factories to reduce carbon emission from traditional power. Meanwhile, we replace high carbon emitting energy sources to reduce greenhouse gas emission by purchasing steam and new energy vehicles.



Zhou Hei Ya energy upgrading measures

During the Reporting Period, we developed an energy-saving and emission reduction strategy for different production and transportation stages. By using new energy vehicles, optimizing transportation routes and renovating old equipment, we have improved energy efficiency and reduced energy consumption and greenhouse gas emission continuously.



Energy saving and carbon reduction measures

During the Reporting Period, the Group's energy consumption and CO₂ emissions data is as follows:

Energy	Unit	2021	2022	2023
Purchased electricity	kWh	57,704,019	47,612,661	53,860,168
Natural gas	m ³	5,267,266	3,628,349	2,144,911
Gasoline	liter	78,049	56,725	51,752
Diesel	liter	661,625	578,677	515,933
Direct energy consumption	tonne of standard coal	7,898	5,594	3,046
Indirect energy consumption	tonne of standard coal	7,092	5,852	8,858
Total energy consumption	tonne of standard coal	14,990	11,446	11,904
Energy consumption per RMB10,000 revenue	tonne of standard coal/RMB10,000	0.05	0.05	0.04

Greenhouse Gas Emissions ⁴	Unit	2021	2022	2023
Scope 1 ⁵ greenhouse gas emissions	tonne of CO ₂	13,275	9,470	5,194
Scope 2 ⁶ greenhouse gas emissions	tonne of CO ₂	35,134	27,154	39,451
Total greenhouse gas emissions	tonne of CO ₂	48,409	36,624	44,645
Greenhouse gas emissions per RMB10,000 revenue (Scope 1 and 2)	tonne of CO ₂ /RMB10,000	0.17	0.16	0.16

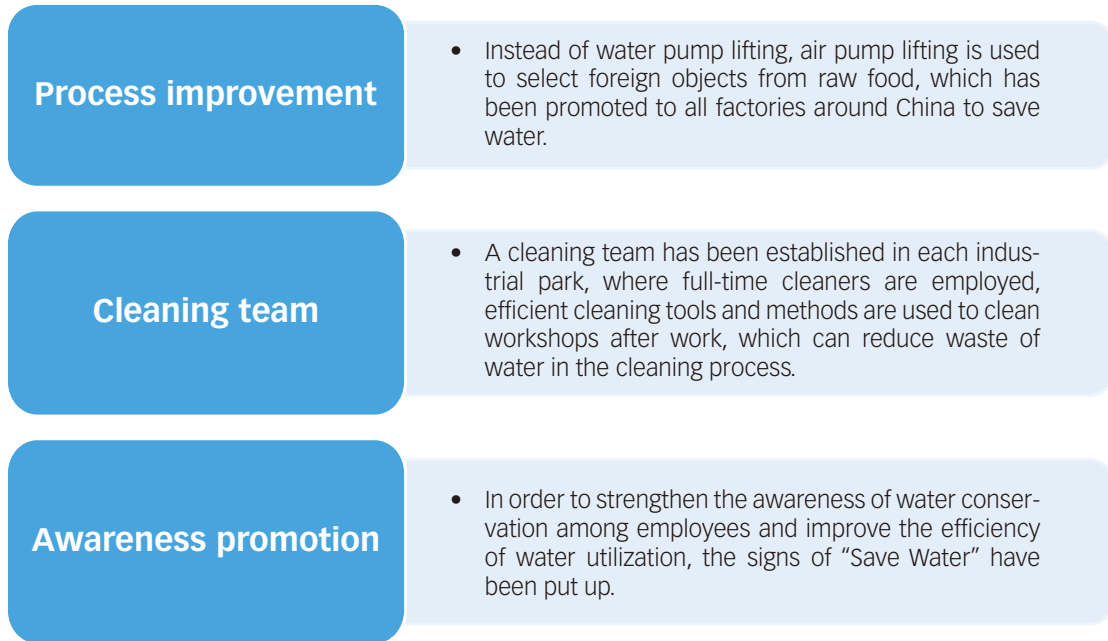
⁴ The calculation of greenhouse gas emissions is based on the *Guidelines of Greenhouse Gas Emissions Accounting and Reporting: Food, Tobacco and Alcoholic, Beverage and Refined Tea Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

⁵ Scope 1: Covering the greenhouse gas emissions from the combustion of natural gas, unleaded petrol and diesel oil of the Group.

⁶ Scope 2: Covering the greenhouse gas emissions indirectly generated by the Group's use of outsourced electricity and purchased steam.

3.4.2 Water Management

The Group is committed to reducing water withdrawals, improving water efficiency. We reduce the use of water and recycle it at source through making a reasonable planning of water resources and reusing them. We strengthen maintenance and overhaul to prevent waste and continue to improve water efficiency. During the Reporting Period, the water intake of the Group was all from municipal water, and there was no water intake or water use problem.



Management of water resources

During the Reporting Period, the Group consumed a total of 544,968.30 tons of running water, and the consumption of running water for every RMB10,000 of revenue was 1.99 tonnes.

3.4.3 Management of Packaging Materials

The sustainable management of packaging materials is essential to improve the efficiency of resource use. Our packaging material consumption mainly come from the product packaging and packaging for logistics. In order to improve the utilization efficiency of packaging materials, We constantly promotes simplified, lightweight and alternative packaging. In addition, we actively explore the application of low-carbon and recyclable green packaging through optimizing packaging material, recycling and other measures.

Improving packaging	Reuse of cardboard boxes
<ul style="list-style-type: none"> After using small box packaging, we have optimized the modified gas film packaging material, reducing the thickness from 450 to 350 microns, plastic packaging material consumption by 22% and annual consumption by 6%. 	<ul style="list-style-type: none"> Monitoring the recycling and utilization of cardboard boxes in factories, improving the utilization, reviewing the recycling rate of each factory monthly, and supervising improvements. As of the end of the Reporting Period, the cardboard box recycling increased significantly, with an increase of 50% compared to 2022.

Packaging management measures

During the Reporting Period, the use of packaging materials is as follows:

Use of Resource	Unit	2021	2022	2023
Packaging film	tonne	3,264	2,635	2,818
Vacuum packaging bags	tonne	581	507	595
Total packaging material used	tonne	3,845	3,142	3,413
Packaging materials per ton of products sale	tonne	0.11	0.11	0.11

Care for Employees

4.1

Employee Profile

4.2

Employee Development

4.3

Employee Care

4.4

Health and Safety



We regard employees as our most valuable assets. We always believe that talents are an important force to drive our continuous development and innovation. We provide employees with a workplace with opportunities and challenges; we provide competitive salaries and benefits; we formulate a comprehensive training system; we create a wide range of career development opportunities for our employees; we establish an open and inclusive cultural atmosphere. We hope that talents can grow with us; we increase talent training efforts continuously and help them achieve their value.

4.1 Employee Profile

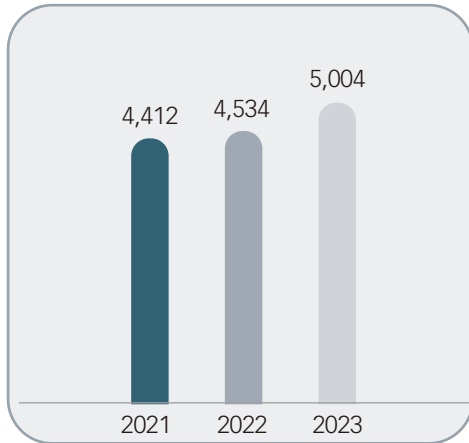
In strict compliance with the *Labour Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women and Children* among other laws and regulations, we internally formulates the *Regulations for the Administration of Recruitment*, the *Regulations for the Administration of Recruitment (Trading)*, the *Regulations for the Administration of Campus Recruitment* and the *Measures for the Administration of Recruitment Channel* and other employment and labor standards management policies.

As a responsible enterprise, we object to any discrimination and unequal treatment in terms of gender, age, race, nationality and/or religious belief. We proactively implement those policies and practices with regard to equal working opportunity, and advocate the inclusive and diverse corporate culture. We have hired 13 disabled employees, providing them with simple, easy jobs.

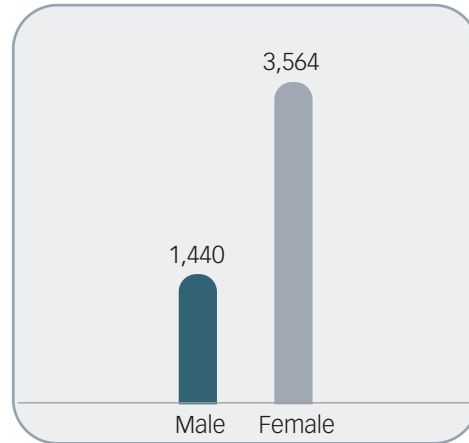
We abide by the *Provisions of the State Council of the People's Republic of China on the Prohibition of Child Labor (No. 364)* strictly. Therefore, any form of child labor is absolutely prohibited in Zhou Hei Ya. Both new hires and our employees dispatched by a third party are subject to an identity check according to law. Employees failing to meet the employment standard will not be hired. Meanwhile, we will terminate our cooperation with any third party which dispatches employees illegally and will report to the government immediately. Meanwhile, we object to any form of labor exploitation and abuse. By the end of the report period, Zhou Hei Ya had not employed any child labor or forced labor.

As of the end of the Reporting Period, the Group had 5,004 employees. The total number of employees is divided as follows:

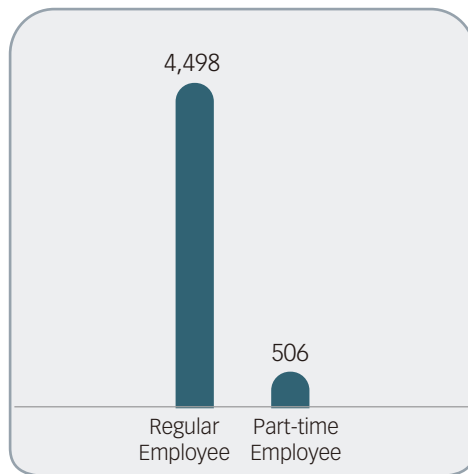
Changes in Total Number of Employees of the Group



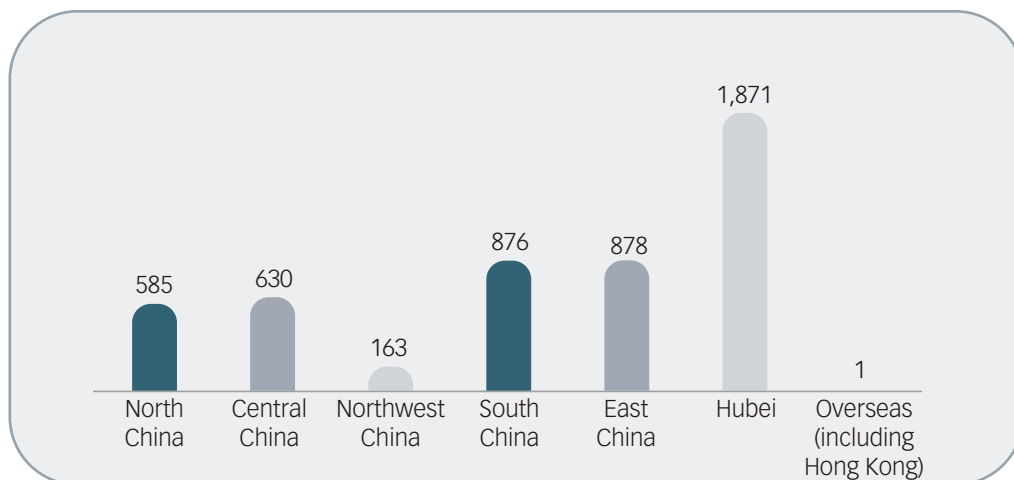
Number of Male and Female Employees of the Group in 2023



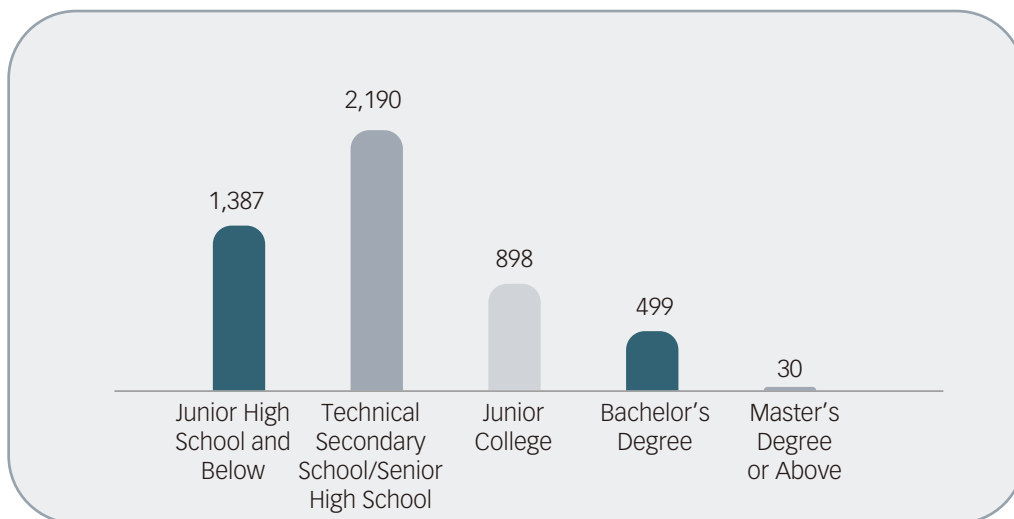
Total Number of Employees of the Group by Employment Type in 2023



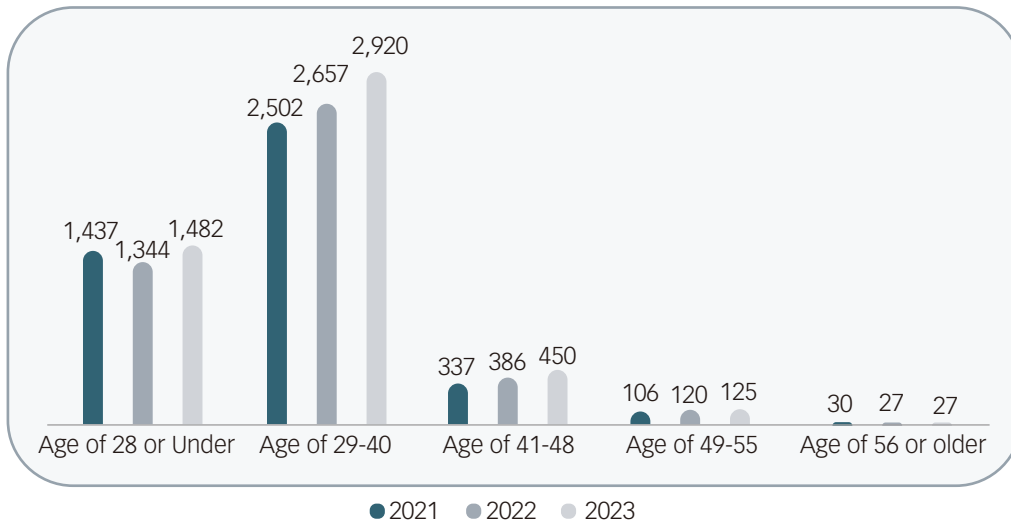
Number of Employees of the Group by Geographical Location in 2023



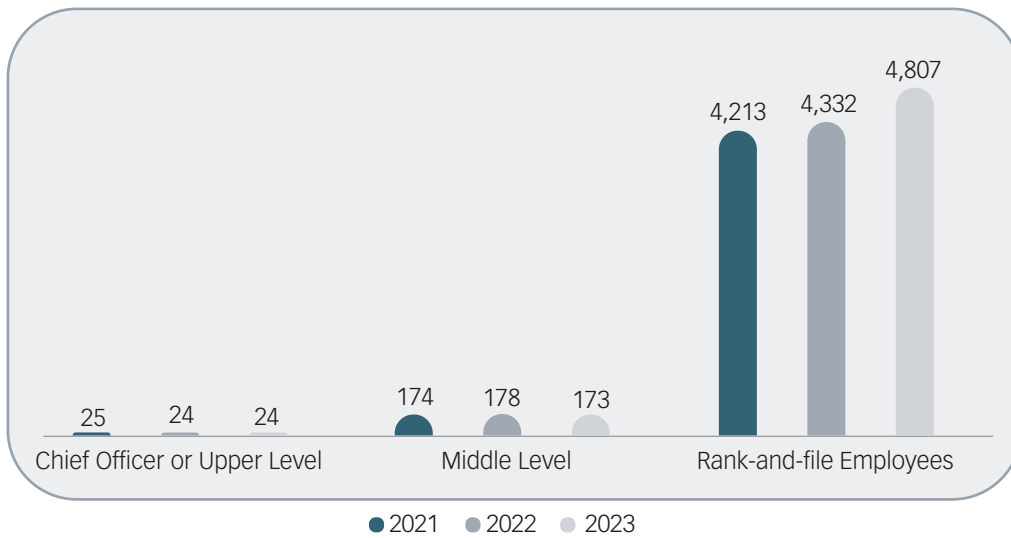
Number of Employees of the Group by Education Level in 2023



Changes in Employee Number by Age

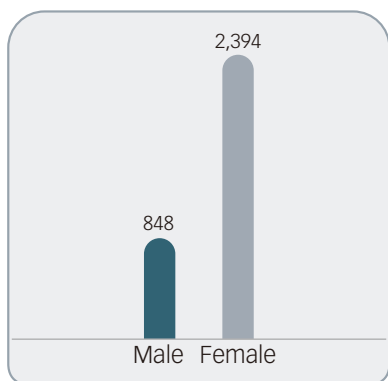


Changes in Employee Number by Level

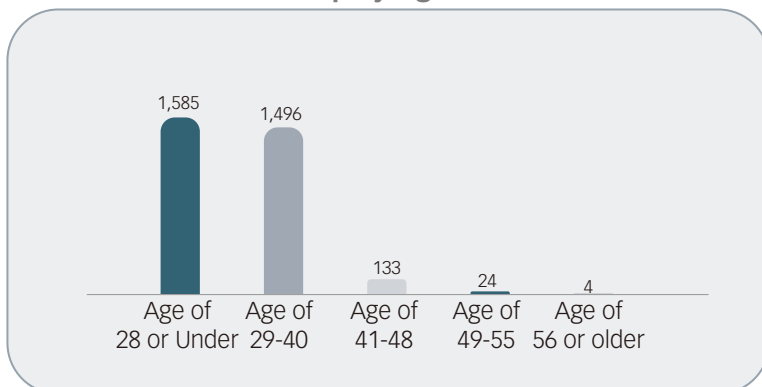


The specific employee turnover situation of the Group in 2023 is as follows:

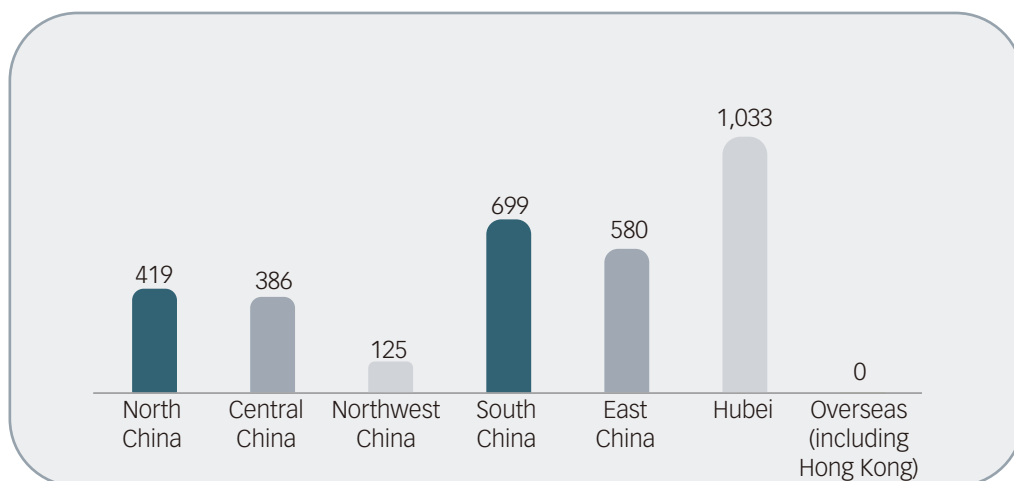
Employee Turnover Number of the Group by Gender in 2023



Employee Turnover Number of the Group by Age in 2023



Employee Turnover Number of the Group by Geographical Location in 2023



Awards

During the Reporting Period, we received awards of human resource management and employer brand building, etc

- Zhou Hei Ya Human Resource Awards**



Outstanding Employer Brand in Greater China for 2023



Outstanding Female HR Manager in Greater China 2023



Excellent Model of Chinese Talent Management for 2023





Best Employer 2023 at the 18th Employer Brand Promotion Conference



Lv Bingran was awarded the Outstanding Manager 2023 at the 18th Employer Brand Award in 2023



Liepin 2023 Hubei Annual Extraordinary Employer



Silver Award in the 8th CSTD Enterprise Learning and Design Competition in November 2023 for Jinzhanggui – Regional Supervisor Partner Project

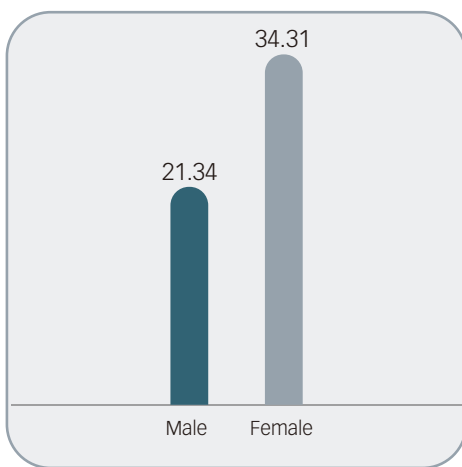
4.2 Employee Development

We attach great importance to sustainable development and cultivation of talents, and establish a training system for employees. By providing a great number of training courses, we help employees improve their performance and personal ability, and grow together with employees.

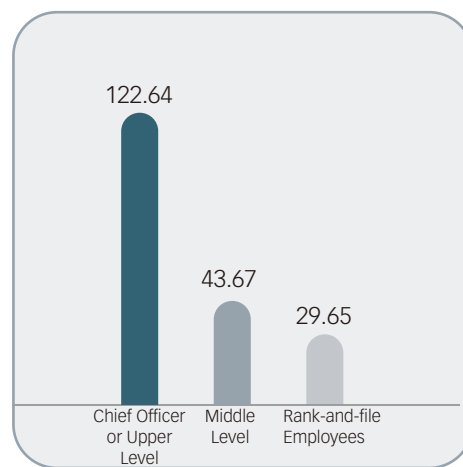
4.2.1 Employee Training

Talents are our most valuable resource. We are committed to the continuous development of top talents with high quality and high potential. In order to help employees achieve their personal career dream, we provide a number of training opportunities for employees. We believe that through continuous learning and development, employees can improve their knowledge reserve and achieve their personal career dream.

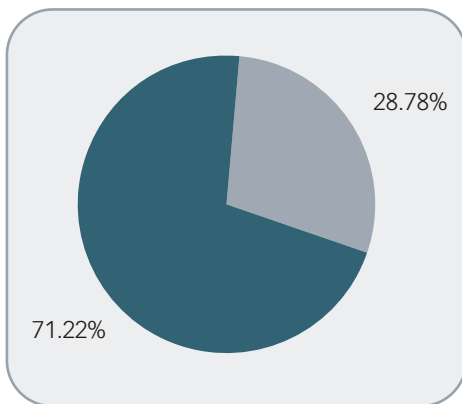
Average Training Hours for Employees by Gender in 2023



Average Training Hours for Employees by Level in 2023

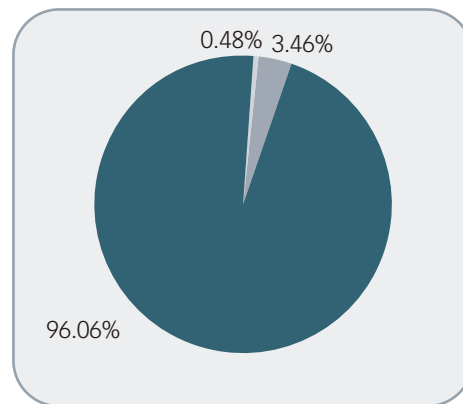


Proportion of Employees Trained by Gender in 2023



■ Male ■ Female

Proportion of Employees Trained by Level in 2023



■ Chief Officer or Upper Level ■ Middle Level ■ Rank-and-file Employees

For training, we have formulated the *Regulations for the Administration of Training Credit*, the *Retail Personnel Development Manual* and the *Employee Handbook*, etc. We have developed a training system, including training plan for new employees, for all employees, for excellent internal trainers, and for managers, supervisors and store managers. We provide employees with excellent training, which help talents improve their professional skills and qualities, and achieve sustainable development.



Different training plans are carried out for different talents.

In 2023, we updated the internal trainer management system and established the internal training incentive mechanism with point awarding and exchange for gift. We encourage internal trainers to proactively develop courses and give lectures by awarding points. This not only ensures the growth of teaching force, but also encourages internal trainers to share their knowledge.

Internal trainer training camp

From October 30th to November 1st, 2023, we held a 3-day and 2-night internal trainer growth training camp named "Co-construction of Teaching Force and Courses" at the Headquarters. 54 internal trainers participated in this program. 21 outstanding lecturers and 16 excellent courses were selected. As of the end of the Reporting Period, there were 308 internal trainers, and 13,690 points awarded to lecturers in total.



We have established a supervisor training camp and a reserve store manager training camp. We design our training system for different positions and levels, and develop different training standards for professional skills to provide training courses that meet the characteristics of employees on different stages.

Supervisor training camp

In 2023, we launched a supervisor training camp, providing store operation and management training for 66 one-star and 56 two-star regional supervisors. This training supplied 23 one-star and 61 two-star regional supervisors.



Reserve store manager training camp

In April 2023, we provided training for reserve store managers in five major regions around China, with 103 participants. It aimed to develop store managers' personnel management, product management, performance management and team management, in order to improve reserve store managers' comprehensive ability and management. We also invited mentors to provide one-on-one guidance at our institute to improve training efficiency.



E-commerce business enabling training

In order to improve e-commerce operation, we provided six sessions of e-commerce training for digital retail related personnel concerning e-commerce incremental thinking, user operation, channel operation and financial analysis, etc., in which there were 131 participants. We help employees to understand the characteristics of different e-commerce channels and customize promotional strategies in terms of user, product and channel.



Zhou Hei Ya E-commerce business enabling training poster

4.2.2 Employees' Development

We respect employees' desire for personal development and value their qualities. We have established a promotion channel both of management and profession for them. We'll consider their values, work experience, achievement of internal trainer goal, and cultural identity, etc. Employees' promotion will be based on these factors. We also pay attention to the fairness of employee promotion and call for fair competition within this Group proactively.

We take "Openness, Practice, Honesty and Integrity" as the professional ethics of our cadres, who are subject to "Zhou Hei Ya Ten Red Lines" upon appointment. We have formulated the *Zhou Hei Ya Management Competency Model* and *Zhou Hei Ya Management Qualification*, on which the appointment of management personnel is based. We develop and select cadres through training, such as job rotation plan, internal agency plan, career mentor plan, and on-job training plan. We have launched the EMBA training program to expand key managers' thinking horizon, enhance their global thinking and help key business operators to enhance their core abilities.

EMBA training

In December 2023, the key personnel from business departments were invited to EMBA training, which covered key businesses of the Group in 2024, in order to enhance their core abilities in strategic design, performance management, marketing management and financial management, etc.

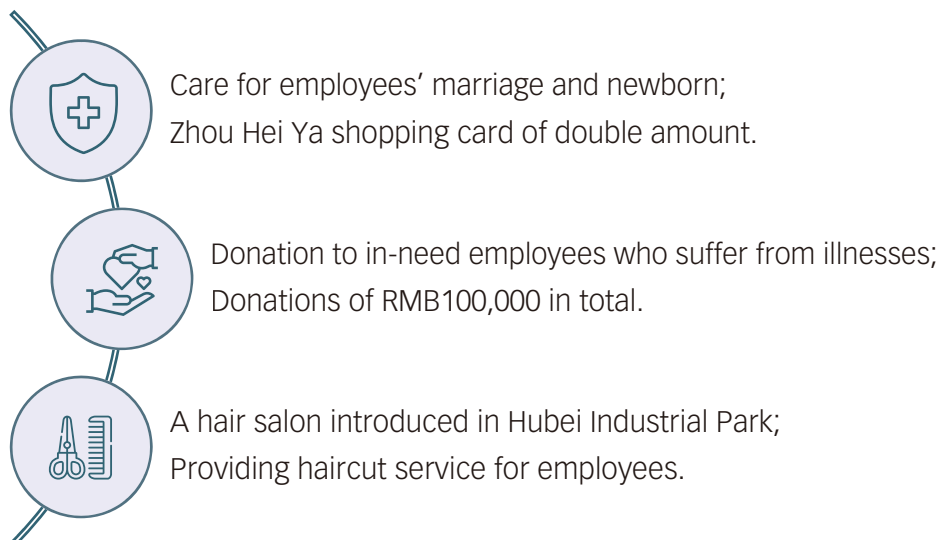


4.3 Employee Care

We attach great importance to employees' feeling in this Company. We care for employees' physical and mental health, and enhance their happiness by providing competitive salaries and benefits, listening to them, and organizing cultural & sports activities.

4.3.1 Benefits and Care

According to the *Social Insurance Law of the People's Republic of China* and other laws and regulations and requirements of local government departments, we provide employees with welfare including social insurance and housing provident fund. We provide competitive salaries and benefits to employees, enhance their happiness, and call for a good balance between at work and after work. Also, we provide paid annual leave, marriage leave, maternity leave and sick leave, etc. We will continue to optimize the welfare system and upgrade welfare benefits.



Zhou Hei Ya New benefits for employees in 2023

We care for female employees and celebrate Women's Day to enrich their life. We hold a number of activities to observe major holidays with our employees and help relieve them from vocational pressure while enhancing the corporate cohesion.

Celebration of Zhou Hei Ya women's day



Celebration of Zhou Hei Ya children's day



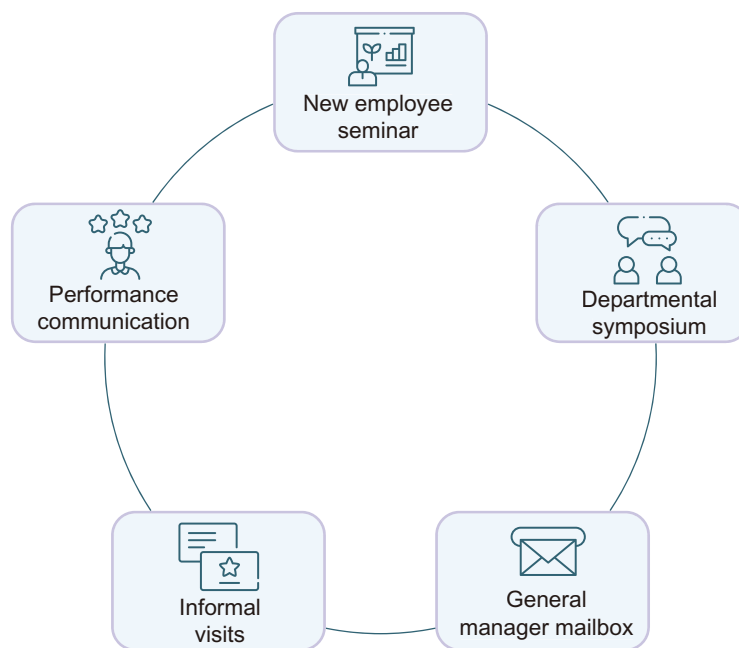
Team building activity for Zhou Hei Ya's veterans



4.3.2 Employee Communication

In order to create a more comfortable workplace and understand the needs and ideas of employees, we approach employees and actively listen to their voices, respond to and address their requests. We have carried out a number of events to care for employees to promote a caring culture actively. We welcome and encourage employees to provide suggestions for our operations.

We welcome and encourage employees to provide suggestions for our operations. We regularly communicate face to face with employees to help them integrate into their team, understand their needs, and respond to problems raised by employees. We regularly survey employees' dedication in order to motivate them while facilitating the communication channels.



Communication type of Zhou Hei Ya in 2023

4.4 Health and Safety

Zhou Hei Ya attaches great importance to the occupational safety of employees, we comply faithfully with the *Law of the People's Republic of China on Work Safety*, the *Fire Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, etc. We have established a perfect safety management system to ensure the occupational health and safety of employees.

4.4.1 Work Safety

Zhou Hei Ya has formulated the *Fire Safety Management Regulations*, and the *Safety Red Lines*, etc. and has improved the production safety system continuously according to the *2023 Safety Training and Exercise Guide*. During the Reporting Period, Hebei Industrial Park and Jiangsu Industrial Park of the Group have passed the certification of ISO 45001 Occupational Health and Safety Management System. Both Hubei Industrial Park, South China Industrial Park and Guangdong Industrial Park have passed the certification of safety standardization (Class 2), while Jiangsu Industrial Park has passed the certification of safety standardization (Class 3).



As the only private enterprise, we were awarded the title of Hubei Provincial Fire Ambassador

We established a fire volunteer team (awarded the flag by the Hubei Provincial Fire Rescue Corps)

In 2023, Zhou Hei Ya won the honor of fire safety guaranteee

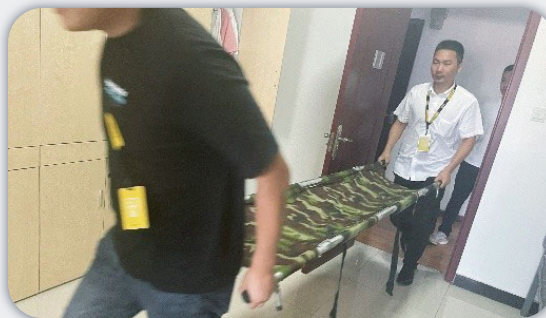
Zhou Hei Ya has formulated measures against extreme weather to ensure work safety. On the trading side, we have introduced the concept of local extreme weather warning system, relying on the national warning platforms, e.g. 12379 to shorten the time from warning to response, and help promote local management.

We continue to promote the awareness of safety and help employees master work safety know-how by various means. We provide safety training, safety drills and skill training to keep work safety in mind. We will continue to strengthen the promotion of safety awareness and help employees master safety production knowledge through multiple ways. We regularly carry out safety training, safety drills and skills training to ensure that the concept of safe production is deeply rooted in people's hearts. We have not experienced any work-related fatalities for three consecutive years. 3,176 hours, which is an equivalent of 397 working days were lost due to work-related injuries in 2023. During the Reporting Period, we conducted 71 safety exercises, and 16,816 hours of health and safety training covering all employees.

Exercise against boiler over-pressure accidents



Exercise against food poisoning



Exercise against night fire evacuation in workshops

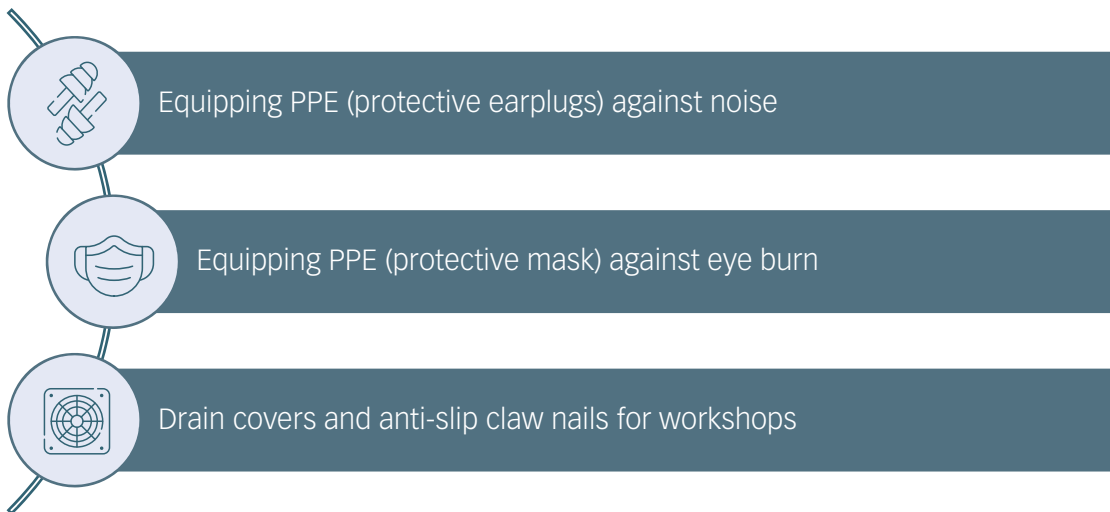


Exercise against night fire evacuation in workshops



4.4.2 Occupational Disease Prevention and Control

We attach great importance to the prevention and control of occupational diseases, and identify occupational disease hazards in the course of production and operation. We take preventive measures to reduce the impact of occupational disease hazards on employees' health. We conduct occupational health examinations for employees to ensure their health according to the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, etc.



Zhou Hei Ya occupational disease prevention

Responsibility for Community

5.1

Community Investment

5.2

Charitable Investment



As a responsible enterprise, we are ready to undertake social responsibilities, always pay attention to and support social welfare undertakings, deeply care about the development of the community, and continuously pay love to the society and undertake public welfare responsibilities.

5.1 Community Investment

Considering the development of education in China, the demand for science popularization bases in primary and secondary schools is increasing. Study tour can enhance the scientific awareness of primary and secondary school students, urge them to protect the natural environment and also develop their thinking abilities. As a responsible enterprise, we have built the "Zhou Hei Ya Braising Culture Popular Science Education Base" within the existing factories based on our main business hoping to promote China's science popularization education.

Zhou Hei Ya braising culture popular science education base receiving incoming visits

The construction of Zhou Hei Ya Braising Culture Popular Science Education Base cost RMB100 million. There is a traditional braised spice garden, a Chinese traditional braising culture hall, a DIY experience hall of traditional braised products, a 5D taste route, a 3D interactive photo gallery, etc. Through a unique, vivid and rich experience, children take a Zhou Hei Ya study tour to enjoy Chinese traditional braising culture. In 2023, Zhou Hei Ya Braising Culture Popular Science Education Base received 17,000 visitors.



The industrial park receiving students



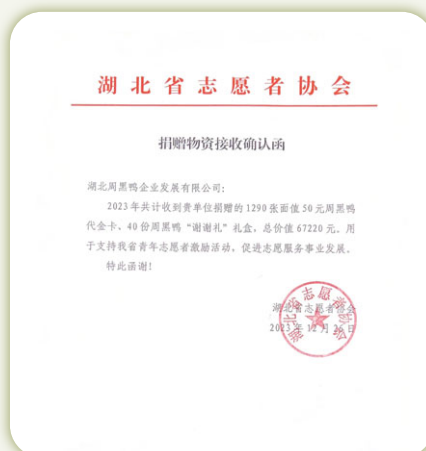
Students participating in DIY of braised products

5.2 Charitable Investment

Participation in charitable activities proactively is important for us to fulfill social responsibilities and pass the positive energy. Our participation in charitable activities not only provides substantial assistance to the community, but also conveys our core values and favorable image, which is significant to building a harmonious and inclusive community and achieving sustainable development. During the Reporting Period, our employees worked as volunteers for 896 hours and donated RMB69,000 in kind.

Participating in charities

On May 17th, 2023, we participated in the "Charity Carnival of Huazhong Agricultural University", donating RMB8,000 of Zhou Hei Ya gift cards; On September 11th, 2023, we participated in the "Clean Up the World Volunteering", donating RMB2,720 of Zhou Hei Ya products; On the International Volunteer Day (December 5th, 2023), we participated in "Salute to Western Plan Volunteers", donating RMB56,500 of Zhou Hei Ya gift cards.



Confirmation for receipt of donations

Zhou Hei Ya fire prevention volunteering

On November 14th, 2023, the flag presenting ceremony of Zhou Hei Ya Fire Prevention Volunteer Team was held at Zhou Hei Ya Activity Center. Tong Jugang, the head of the News and Publicity Office of Hubei Fire Rescue Corps, Zhang Yuchen, the ambassador of Hubei fire prevention publicity and the CEO of Zhou Hei Ya Group, Zhou Kun, the executive director of Zhou Hei Ya Group, and 300 Zhou Hei Ya fire volunteers participated in the ceremony. The responsibility of Zhou Hei Ya fire prevention publicity was fulfilled through this activity.



Presenting ceremony of the fire prevention volunteer flag

Appendix

Appendix I HKEX ESG Disclosures Index

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
Environmental			
A1: Emissions	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development – Green Operation Green Development – Use of Resources
	A1.1	The types of emissions and respective emissions data.	Green Development – Green Operation
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development – Use of Resources
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development – Green Operation
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development – Green Operation
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development – Green Operation Green Development – Climate Change Risks – Environmental Objectives
	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 Development – Green Operation

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
Environmental			
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Green Development – Use of Resources
	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 Development – Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development – Use of Resources
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development – Use of Resources
	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 Development – Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Development – Use of Resources
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Development – Environment Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development – Environment Management
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development – Climate Change Risks
	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 Development – Climate Change Risks
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees – Employee Profile
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Employee Profile
	B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Employee Profile

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
Social			
B2: Health and Safety	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to providing a safe working environment and protecting employees from occupational hazards.	Caring for Employees – Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for Employees – Health and Safety
	B2.2	Lost days due to work injury.	Caring for Employees – Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they have been implemented and monitored.	Caring for Employees – Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring for Employees – Employee Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Caring for Employees – Employee Development
	B3.2	The average training hours completed per employee by gender and employee Category.	Caring for Employees – Employee Development
B4: Labour Standards	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to preventing child and forced labour.	Caring for Employees – Employee Profile
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees – Employee Profile
	B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees – Employee Profile
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Food Safety and Customer Service – Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Food Safety and Customer Service – Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Food Safety and Customer Service – Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Food Safety and Customer Service – Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Food Safety and Customer Service – Supply Chain Management

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
Social			
B6: Product Responsibility	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress.	Food Safety and Customer Service – Food Safety and Quality Food Safety and Customer Service – Customer Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Food Safety and Customer Service – Food Safety and Quality
	B6.2	Number of products and service related complaints received and how they were dealt with.	Food Safety and Customer Service – Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Food Safety and Customer Service – Product Innovation
	B6.4	Description of quality assurance processes and recall procedures.	Food Safety and Customer Service – Food Safety and Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Food Safety and Customer Service – Customer Service
B7: Anti-corruption	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to bribery, extortion, fraud, and money laundering.	Responsible Governance – Business Ethics
	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.	Responsible Governance – Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Responsible Governance – Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Governance – Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take in to consideration the communities' interests.	Responsibility for Community Investment
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Responsibility for Community – Community Investment
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Responsibility for Community – Charitable Investment

Appendix II List of Laws, Regulations and Standards

Laws and Regulations

1. *Company Law of the People's Republic of China*
2. *Criminal Law of the People's Republic of China*
3. *Civil Code of the People's Republic of China*
4. *Anti-Monopoly Law of the People's Republic of China*
5. *Law of the People's Republic of China against Unfair Competition*
6. *Environmental Protection Law of the People's Republic of China*
7. *Law of the People's Republic of China on Air Pollution Prevention and Control*
8. *Law of the People's Republic of China on Water Pollution Prevention and Control*
9. *Law of the People's Republic of China on Solid Waste Pollution Prevention and Control*
10. *Food Safety Law of the People's Republic of China*
11. *Regulations on the Implementation of the Food Safety Law of the People's Republic of China*
12. *Product Quality Law of the People's Republic of China*
13. *GB 2762-2022 National Food Safety Standard Maximum Levels of Contaminants in Foods*
14. *Regulations on the Administration of Pollution Discharge Permits*
15. *Law of the People's Republic of China on Energy Conservation*
16. *Wuhan Municipal Management Measures for Restaurant and Kitchen Waste*
17. *Labour Law of the People's Republic of China*
18. *Labor Contract Law of the People's Republic of China*
19. *Law of the People's Republic of China on the Protection of Minors*
20. *Law of the People's Republic of China on the Protection of Rights and Interests of Women*
21. *Law of the People's Republic of China on Work Safety*
22. *Fire Protection Law of the People's Republic of China*
23. *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*
24. *Emergency Response Law of the People's Republic of China*
25. *Social Insurance Law of the People's Republic of China*
26. *Management Measures of Emergency Response Plan for Production Safety Accidents*
27. *Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety by Enterprises*
28. *GB 5749-2022 Sanitary Standard for Drinking Water*
29. *GB 18483-2001 Emission standard of cooking fume (Trial)*
30. *GB 13271-2014 Emission Standard of Air Pollutants for Boiler*
31. *Discharge Standard of Water Pollutants for Meat Processing Industry*
32. *Personal Information Protection Law of the People's Republic of China*

Policies, Rules & Regulations

1. *General Rules for Prepackaged Food Labeling*
2. *General Rules for Prepackaged Food Nutrition Labeling*
3. *Standards for Use of Food Additives*
4. *New Product Development Management System*
5. *Whole Chain Food Safety Staff Supervision and Control System*
6. *Self-inspection of the main responsibility for food safety of commercial and trading units specification*
7. *Intellectual Property Management Measures*
8. *Detailed Requirements for Suppliers Entry Qualifications*
9. *Preliminary Survey Form for Suppliers*
10. *Partner Safety Agreement*
11. *Partner Commitment to Confidentiality*
12. *Commitment on Quality, Environmental Protection and Safety and the Environmental Protection Agreement*
13. *Environmental Protection Agreement*
14. *Supplier Management Regulations*
15. *Supplier Performance Assessment Standard 2021*
16. *Procedures for Procurement Settlement Process*
17. *Emergency Procurement Handling Regulations*
18. *Customer Complaint Handling and Public Opinion Prevention and Control Regulations*
19. *Zhou Hei Ya Privacy Agreement*
20. *Management System for Company Landscaping and Environmental Management*
21. *Regulations of Hazardous Waste Management*
22. *Emergency Plan for Environmental Crisis*
23. *Energy Resource Management Procedures*
24. *Energy Assessment Mechanism*
25. *Procedures for Waste Water, Exhaust Gas and Noise Control*

26. Code of Practice for Operation and Monitoring of Industrial Park Sewage Treatment Station
27. Measures for Solid Waste Management
28. Procedures for Waste Management
29. Regulations for the Administration of Recruitment
30. Regulations for the Administration of Campus Recruitment
31. Measures for the Administration of Recruitment Channel
32. Measures for Company Epidemic Prevention and Control
33. Regulations for the Administration of Training Credit
34. Regulations for the Administration of Employee Performance
35. Regulations for Visiting Regular Employees
36. Regulations for the Administration of Team Building Activities
37. Regulations for Correspondent Submission
38. Anti-Corruption Working System
39. Articles of Discipline Inspection Committee of Zhou Hei Ya
40. Measures for the Implementation of Discipline Inspection, Supervision and Reporting
41. Measures for Discipline Inspection, Supervision and Reporting
42. 8D Analysis Report on Quality Issues
43. New Product Verification Management Regulations
44. Regulations on Publicity Materials Management
45. Approval Process of External Publicity Materials
46. Regulations on Zhou Hei Ya Advertising Launch

Product Standards

1. GB/T 20940-2007 GMP for Meat Products Enterprises
2. GB/T 22210-2008 Specification for Sensory Evaluation of Meat and Meat Products
3. GB/T 23586-2009 Seasoned and Braised Meat Products
4. GB 10136-2015 National Food Safety Standards for Aquatic Animal Products
5. GB/T 22106-2008 Non-fermented Soy Products
6. GB 2714-2015 Pickles
7. GB/T 23970-2009 Braised Eggs
8. GB 2749-2015 Eggs and Egg Products
9. GB 2712-2014 National Food Safety Standards for Soy Products
10. GB 7096-2014 National Food Safety Standards for Edible Fungus and Its Products
11. GB 10133-2014 National Food Safety Standards for Aquatic Seasonings
12. Q/HZHY 0001S-2017 Braised Vegetarian Products
13. Q/HZHY 0002S-2017 Braised Squid Products
14. Q/HZHY 0003S-2018 Seasoning Powder
15. Q/HZHY 0004S-2018 Food Flavorings
16. Q/HZHY 0005S-2017 MAP Braised Meat Products
17. Q/HZHY 0006S-2017 Semi-solid Seasonings
18. Q/HZHY 0007S-2016 Braised Vegetarian Foods
19. Q/HZHY 0008S-2016 Braised Dried Eggs
20. Q/HZHY 0009S-2016 Cooked Crayfish
21. DBS42/008-2021 Requirements for Modified Atmosphere Packaging (MAP) of Cooked and Braised Products
22. Other applicable relevant product standards



Zhou Hei Ya International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1458