



四川德康農牧食品集團股份有限公司

DEKON FOOD AND AGRICULTURE GROUP

(A joint stock company incorporated in the People's Republic of China with limited liability)

STOCK CODE : 2419



2024

Environmental,
social and
governance
report

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This report is the second Environmental, Social and Governance (ESG) report published by Dekon Food and Agriculture Group (“Dekon Group”, “Dekon”, “the Group”, “the Company” or “we”). It provides the Company’s efforts in environmental protection, social responsibility and corporate governance in 2024, and responds to the expectations and concerns of stakeholders.

Time Scope

This report mainly includes our ESG performance from 1 January to 31 December 2024, while some information is out of this period.

Organisational Scope

This report covers Dekon Food and Agriculture Group and its branches and subsidiaries.

Preparation Standards

This report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

Reporting Principles

This report follows the principles of materiality, quantitative, balance and consistency in accordance with the requirements of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange:

- **Materiality:** Identify key issues of the ESG Report through communication with stakeholders and disclose them in this report;
- **Quantitative:** Objectively evaluate the Company’s ESG report through quantitative information;
- **Balance:** Demonstrate our ESG management status in a fair and objective manner;
- **Consistency:** The disclosure standards and statistical methods used in the preparation of the ESG Report are consistent.

Data and Currency

The ESG Report gives a true view of our ESG activities. The information and data in this report are derived from our official documents and statistical reports, as well as the compilation and analysis of data from our subsidiaries.

Part of the financial data in this report is extracted from the 2024 annual financial report. Unless otherwise specified, the monetary figures presented in this report is denominated in RMB.

Availability of the Report

This report is published in electronic version, and the electronic version is available on the Company’s website.

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BOARD STATEMENT

The Board of the Company is the highest responsible and decision-making body for ESG matters, taking full responsibility for the Company's ESG strategy and reporting, and overseeing ESG-related matters that may affect the Company's business or operations, shareholders, and other stakeholders. The Board's safety, health, environment, and ESG working committee is responsible for overseeing the implementation and performance of key ESG issues, providing recommendations to the Board to ensure the integration of ESG concepts with the Company's strategy.

The Company attaches high importance to ESG governance and continuously carries out the construction of the ESG governance system. Based on factors such as the internal and external development environment and the results of communication with stakeholders, we regularly conduct materiality assessments of ESG issues. The Board reviews and determines the Company's material issues, managing and supervising them as key tasks to ensure that ESG principles are integrated into the Company's development strategy and to continuously enhance the Board's oversight and participation in ESG matters. The Company has also established an EHS (Environment, Health, and Safety) Committee at the management level to strengthen supervision of environmental protection, occupational health, safety, and other functions. This committee is responsible for policy-making, management systems, regulatory compliance, training, and performance supervision to effectively manage environment, health, and safety efforts and to promote the Company's economic development, social equity, and environmental sustainability.

The Company has established an ESG indicator system covering carbon emissions, pollutant emissions, energy consumption, water resource management, health and safety, etc. and has set management targets for key areas such as food safety and quality, occupational health and safety, comprehensive resource utilization, and response to climate change. The Board of the Company reviews the progress of these targets annually. The Company incorporates ESG indicators into the assessment system for relevant management personnel and their respective working companies, continuously promoting the achievement of the Company's ESG goals and enhancing its overall ESG performance.

This report provides a detailed disclosure of the progress and achievements of the Company's ESG work in 2024, which was reviewed and approved at the Board meeting on 11 March 2025.

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MESSAGE FROM PRESIDENT

2024 has been a year filled with both challenges and opportunities. Amid industry fluctuations and a complex, ever-changing market environment, Dekon has stayed true to its original aspiration, adhering to a long-term vision. We have avoided speculation and rash decisions, focusing instead on risk management, increasing investment in technology, and deepening management reforms. Furthermore, we have expanded our horizons by learning from and benchmarking against Denmark and Netherlands, the world's leading countries in swine production, to continuously enhance our core competitiveness. In 2024, the Company prioritized efficiency improvement and cost reduction, with a strong focus on biosecurity and disease prevention. We enhanced the skills and expertise of our workforce, promoted the integration of technology and production, and achieved both quantitative and qualitative growth. As a result, we recorded revenue of approximately RMB22.46 billion in 2024, representing a year-on-year increase of 39.0%, and a net profit of approximately RMB4.20 billion, marking a notable improvement in profit.

Our pig segment, the Company's core business, demonstrated outstanding performance. Key financial metrics such as total pig production costs and profit per head led the industry among listed swine enterprises. Our poultry segment has turned profitable and a number of technological innovations have received national certification. Ancillary products segment, including food, also made great progress in exploring models and developing markets. At the same time, adhering to the principle of "mutual benefit and win-win", Dekon closely integrated its industrial model with regional economic development, linking efficient production with the interests of farmers. We have made remarkable progress in helping farmers participate in the broader framework of rural development through "Company + Farmers" model to collaborate with and help farmers, fostering industrial ecosystems and rural revitalization. In 2024, pig farmers cooperating with us realized an average household income of approximately RMB770,000, which is approximately 8.3 times the disposable income of four-member rural households in China (according to the data of the National Bureau of Statistics, the per capita disposable income of rural residents in 2024 was RMB23,119), marking a record high.

2024 marked the first full year of the Company's listing. We were successfully included in the Hang Seng Composite Index and completed the application for the "full circulation" of some of the Shares, laying a solid foundation for the Company's market value recovery. While steadily advancing our operations and management, we have always prioritized shareholder returns, continuously exploring pathways for capital development for investors to fully recognize the Company's value and support its long-term growth. In 2024, the Company proposed to distribute cash dividends of approximately RMB350 million to all shareholders.

Dekon's experienced team, efficient management and leading technology are the crucial factors for the Company's good performance. In 2025, Dekon will devote all efforts to upholding a talent-driven approach, powered by the dual engines of "technology + management". We will further deepen management reforms, increase investment in research, strengthen production management, and amplify the advantages of our model. Our goal is to achieve upgraded operations, continuously improve production metrics, and make breakthroughs in efficiency improvement and cost reduction. We will further contribute to linking farmers, increasing their income, building industrial ecosystems, and promoting rural revitalization.



Yao Hailong
Executive Director and President

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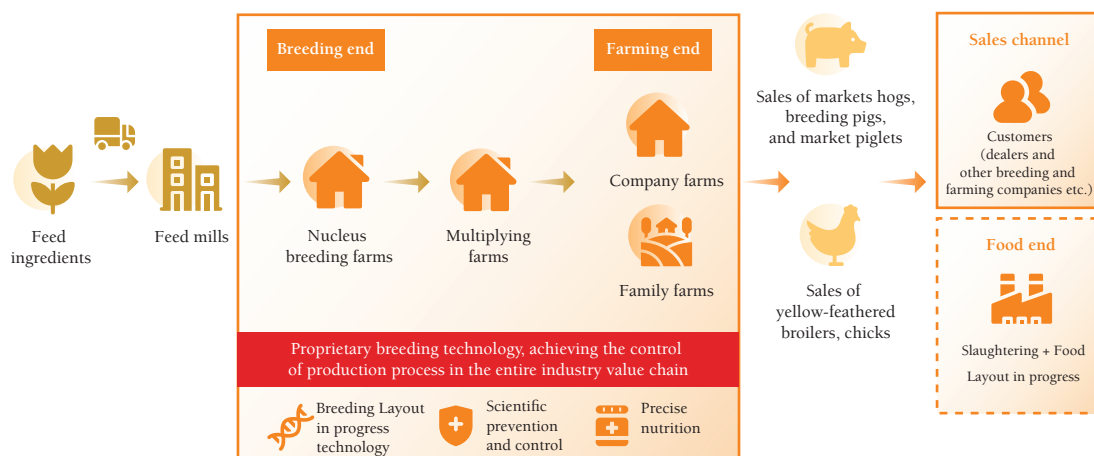
ABOUT US

Dekon Food and Agriculture Group has always adhered to the principle of “operating with a mindset of farming for food and producing food for health”, and deeply cultivates in the modern agricultural and high-end food industry. As of the end of 2024, Dekon Group has two national key leading enterprises in agricultural industrialization, involving pig farming, high-quality broilers breeding, food processing and digital agriculture, with 138 enterprises in 13 provinces, cities and autonomous regions across the country. We have become a highly competitive and high-growth agricultural and livestock enterprise in China.

We are determined to build a “high-end food ecosystem” with “food quality” as the core. We are steadfast in our efforts to deepen and penetrate the food industry, providing consumers with high-quality livestock and poultry products. Through standardized advancements in efficient breeding and farming practices, we aim to deliver high-quality food, ultimately positioning ourselves as pioneers in the realm of high-end food. Moreover, we adhere to an ecosystem-driven industrial layout model, embracing the development concept of “integrating farming and breeding with enclosed management” and adopting the operational framework of “company + family farm”. Concurrently, we are dedicated to increasing our investments in the environmental, social and governance (ESG) field. By nurturing a virtuous cycle within the industrial ecosystem and ensuring food safety, we actively mitigate our environmental footprint, fueling the development of rural areas, and striving to create a benchmark for sustainable agricultural development.



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Caption: Our Business Model

Our Strategy

With the gradual stabilization of domestic consumption demand, China's overall economy and the hog market are expected to maintain a stable and positive trend. In 2025, we will maintain our strategic stability, closely manage various risks, and continue to carry out the following work:

Steadily expand the production capacity of core business	We will continue to expand family farms, build an industrial ecosystem, and expand the Company's scale. By increasing investment in technology and enhancing breeding efficiency, we continuously improve our market position and cost advantage, building core competitiveness. Meanwhile, we will continue to expand the production of yellow-feathered broilers, achieving a dual-wheel drive in the pig and poultry sectors.
Continue to benchmark against international advanced standards and push forward with aggressive cost reduction	Through the nutrition improvement project, feed formula optimization, and precise feeding, we will be able to reduce breeding costs while meeting the necessary conditions for optimal growth of pigs. Meanwhile, we will continuously enhance breeding standards and product quality through genetic improvement, health management, and disease prevention, thereby improving breeding efficiency and cost-effectiveness.
Continue to strengthen biosecurity prevention and control to ensure production safety and effective operations	We continuously integrate preventive measures against major epidemics, such as African swine fever, into our daily operations. This approach has enabled us to establish a long-term, effective prevention and control system, as well as normalized management practices. By implementing measures such as purifying breeding sources to prevent vertical virus transmission, managing livestock intestinal health, and adopting reasonable health care protocols, we have strengthened our biosecurity management system. This, in turn, enhances our level of precise management, helps narrow efficiency gaps within farms, and consolidates our core competitive advantages.
Continue to invest in ESG plans	By implementing the "Hundred Villages and Million Pigs" (百村百萬) project for the planting and breeding cycle, and for sustainable agricultural development, we will adhere to the national fertiliser reduction action plan, practice the planting and breeding cycle, and establish a benchmark for sustainable agricultural development.

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Our Culture

Dekon's Mission	Doing real work to provide high-quality food for consumers
Dekon's Vision	Become a high-end food ecosystem builder
Core Value	Great Giving, Great Gain No Challenge, No Achievement Strive and Persevere
Dekon Spirit	Resolve with conviction Aspire to lofty goals Envision broadly Achieve greatness
Business Philosophy	Conduct breeding with a food mindset Produce food with a health mindset
Management Philosophy	Lead with self-discipline, align with best practices, defend core values, drive to completion, and managing exceptions
Talent Philosophy	Expertise with dedication Competence with rigor Authority with accountability
Quality Philosophy	Focus on product quality as if it were your own child Focus on customer value as if it were a matter of life
Code of Conduct	<p>Manifesto of Dekon</p> <p>Why do we embrace hardship? To rise as pioneers of our craft.</p> <p>Why do we endure exhaustion? To leave no room for regret in this fleeting life.</p> <p>We are ordinary people, yet we dare to dream the extraordinary;</p> <p>We are common individuals, yet we act where others hesitate.</p> <p>Don't ask why</p> <p>Strive relentlessly, fight fiercely, triumph decisively.</p> <p>The answer burns within us:</p> <p>We must transcend ourselves and achieve greatness.</p>

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Major Events in 2024

01 Technological Leadership and Planting Industry Reviving

Technological Leadership and Planting Industry Reviving. Dekon insists on “building world-class genetic resources and breeding system”. As at the end of the reporting period, Dekon owned 2 national core pig breeding farms, 1 national-level core broiler breeding farm, 1 national-level huiyang chicken breeding farm, 12 national-level African swine fever free zones and 8 national-level porcine pseudorabies purification sites. Dekon’s breeding pigs are also widely recognized in the market.



Yingde Breeding Chicken Farm — National Core Broiler Breeding Farm, National Huiyang Chicken Breeding Farm

- In 2024, Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司), a subsidiary of Dekon Group, has been successfully selected as a national core breeding farm for broiler chickens. Lingnanhuang Chicken Series IV was identified as a new livestock and poultry strain (series) by the Ministry of Agriculture and Rural Affairs; The project “Innovation and Application of Efficient Breeding Technology System for Localizing Foreign Breeds of Pigs” completed by Dekon Group, as the main entity, won the Second Prize of Science and Technology Progress in Sichuan Province. In October 2024, Dekon breeding large white pigs, a breeding pig of Dekon, ranked first for “excellent growth performance, excellent body appearance and excellent health condition” in the 24th breeding pig centralized test in Wuhan, China after rigorous measurement and scientific evaluation by the Breeding Pig Quality Inspection and Testing Center of the Ministry of Agriculture and Rural Areas.



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- In 2024, Hechuan Dekon, a subsidiary of Dekon, was selected as the national leading base for modern facility agricultural animal husbandry innovation; Renshou Dekon, Jinzhai Dekon, Anshun Dekon, Zhong County Dekon and Xiushan Dekon were rated as the national-level African swine fever free zone; Xiaojiao Pig Farm, Jianshan Pig Farm and Xinmin Pig Farm were rated as the national-level porcine pseudorabies purification sites; Dekon Group and its founder, Mr. Wang Degen, were respectively honored with the titles of “Top Ten Breeding Pig Enterprises” and “Top Ten Influential Figures in the Breeding Pig Industry”.

02 Top 100 List, and Strength Witness

Dekon Group has been ranked one of Top 100 Chinese Agricultural Enterprises, Sichuan Enterprises, and Chengdu Enterprises. This year, Dekon Group has also been newly ranked on Hurun China Top 100 Food Industry List. We have witnessed Dekon's high-quality development through these numerous honors.

- In 2024, Dekon Food and Agriculture Group (stock abbreviation: Dekon Food and Agriculture Group, stock code: 2419.HK) won the “2023 Best IPO of China Financing Awards”.



- In 2024, Dekon Group was included in the 2024 China Agricultural Enterprises Top 500, 2024 Sichuan's Top 100 Enterprises, 2024 Top 100 Chengdu Enterprises and 2024 Hurun China Top 100 Food Industry List.

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03 Uniting and Leading farmers for Rural Revitalization

Dekon Group's "Hundred Villages and Million Pigs" Project is a beneficial program extended and upgraded on the basis of Dekon's existing industrial model. It will further benchmark international leading standards and implement the Dekon model of "uniting and leading farmers, promoting farmers' income increase, developing industrial ecology, and supporting rural revitalization".

- In April 2024, the stable pig production site meeting of Sichuan was held in Yibin, and Dekon showed relevant demonstration sites of "Hundred Villages and Million Pigs" Project by live streaming.

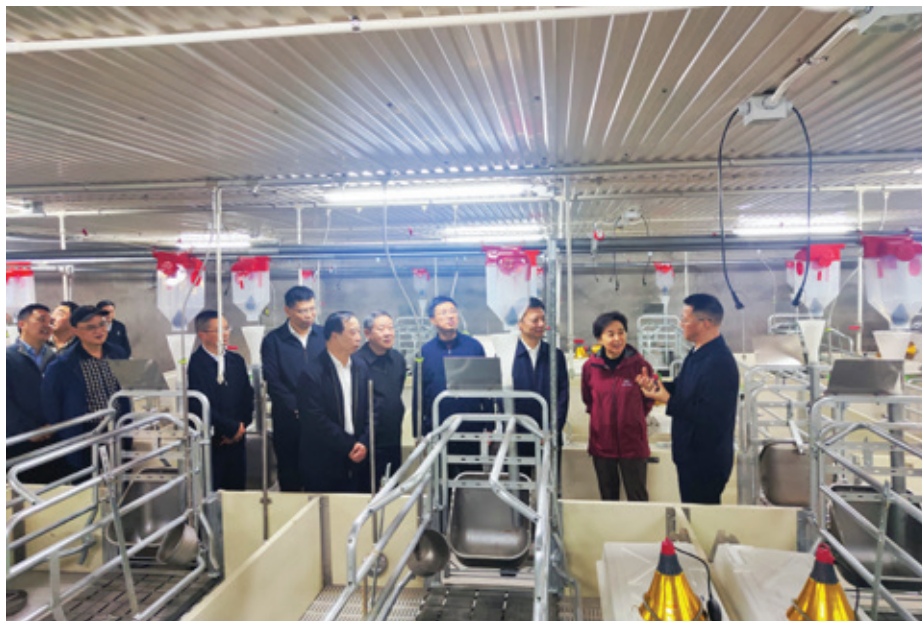


- In November 2024, the first high-standard family farm of "Hundred Villages and Million Pigs" Project was completed in Yibin, marking significant progress in the scientific research and training base construction of "Hundred Villages and Million Pigs" Project. After completion, the base will include modern facilities such as an expert building, training classrooms, simulation training rooms, and practical pig sheds. The base will adopt a new "full-chain" model of integrating production and education for talent cultivation, training a large number of new-type farm owners, helping them to become the main force of pig raising technology, practitioners and beneficiaries of "uniting and leading farmers for rural revitalization" project.



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- This year, the leaders of the State Council, and Sichuan, Guangdong, Jilin, Inner Mongolia Autonomous Region Party Committee and Governments successively investigated the scientific research and training base of “Hundred Villages and Million Pigs” Project in Yibin, who expressed their concerns for the progress of the project.



- This year, Yilu Regional Company of Dekon Group organized the owners of the “Hundred Villages and Million Pigs” Project for on-site visits, laying a solid foundation for the smooth implementation of “Hundred Villages and Million Pigs” Project in Yibin in future.



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04 Authoritative Qualification and International Public Trust

Dekon has been recognized by the industry authority, demonstrating its determination and action to anchor the vision of being a “builder of high-end food ecosystem” over the years and to produce high-quality food in a solid and practical manner.

- In 2024, Dekon Group obtained the certification from the U.S. Soybean Sustainability Assurance Protocol (SSAP), demonstrating Dekon’s industry responsibility and high corporate social responsibility.
- In 2024, the Laboratory of Health Testing Center and Feed Quality Testing Center of Dekon Industry Research Institute passed the review and assessment of China National Accreditation Service for Conformity Assessment (CNAS) and obtained CNAS Laboratory Accreditation Certificate.



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05 Build a Circle, Strengthen the Chain, and Refine the Industry

All along, Dekon has always and unwaveringly aimed at the strategic goals of “meeting health demand” and “developing high-end food”, adhered to the “three-step strategy” to steadily promote the construction of high-end food ecosystem. At present, the completion and commissioning of Tongneisi Food, the launch of the second phase of Yibin Dekon Food, and the successful fruiting of new citrus varieties are all the best examples for Dekon to practice the concept of a planting and breeding cycle model, refine the industrial chain, and achieve its “healthy food dream” from a high starting point and to high standard.

- In 2024, Sichuan Dekon Tongneisi Food Co., Ltd. was officially put into operation, committed to creating “first products” and “gold-lettered signboards” with international standards and local characteristics for pig slaughtering and deep processing, providing high-quality and high-grade meat food that meets EU food standards and has safety traceability, and provide advanced models for improving the food safety level of domestic meat products and building a high-quality food ecosystem.



Photo: Aerial photo of Sichuan Dekon Tongneisi Food Co., Ltd.

- In 2024, 3 million pig slaughtering, meat deep processing and cold chain project (Phase II) of Yibin Dekon Food Co., Ltd. was officially commenced, marking the in-depth promotion of Dekon’s high-end food industry.



Photo: Aerial photo of Yibin Dekon Food Co., Ltd.

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- In 2024, the new citrus varieties of Dekon Planting Division have been successfully fruited. Compared with other citrus, they can be marketed ahead of schedule during the Mid-Autumn Festival and National Day. The fresh fruit hanging time is as long as 90 days. The fruit features about 75mm, diameter, easy to peel, crisp and tasty, rich flavor and unique fragrance.



Picture: New Citrus Varieties

Social Recognition

Award	Year	Awarder Organisation(s)
National-level African Swine Fever Free Zone (國家級非洲豬瘟無疫小區) (5 newly added)	2024	Ministry of Agriculture and Rural Affairs
Hechuan Dekon Pig Breeding Co., Ltd. (合川德康生豬養殖有限公司), a subsidiary of Dekon Group, was selected as a national innovation and leading base for modern facility agriculture and livestock	2024	Ministry of Agriculture and Rural Affairs
Guangdong Wizaagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司), a subsidiary of Dekon Group, has been successfully selected as a national core breeding farm for broiler chickens	2024	Ministry of Agriculture and Rural Affairs
National-level animal disease purification sites (3 newly added)	2024	Ministry of Agriculture and Rural Affairs
CNAS Laboratory Accreditation Certificate (Feed Quality Testing Center and Health Testing Center)	2024	China National Accreditation Service for Conformity Assessment (CNAS)
The project “Innovation and Application of Efficient Breeding Technology System for Localizing Foreign Breeds of Pigs” completed by Dekon Group as the main entity won the Second Prize of Science and Technology Progress in Sichuan Province.	2024	Sichuan Provincial Department of Science and Technology

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ESG STRATEGY AND MANAGEMENT

We are committed to adhering to “the path of green and sustainable development” and becoming a highly competitive green enterprise. We will embrace our environmental, social and governance responsibilities and build a “sustainable and efficient ecological model for agriculture and animal husbandry development, which leads to outcomes that benefit multiple parties and create win-win situations”.

ESG Governance Structure

We are aware that ESG and climate change risks may have an impact on our business, and have established an ESG governance system aligned with ESG-related listing requirements and industry best practices. The Board is required to participate in the formulation of ESG strategies and goals, and coordinate the management to jointly identify and manage ESG-related risks and opportunities. To continually enhance our ESG performance, we remain vigilant in monitoring ESG standards, and take the initiative to collect, analyse and disclose ESG performance indicators. Moreover, we actively communicate our progress in ESG practices to stakeholders.

The Board	Its responsibilities include supervising and actively engaging in ESG matters, identifying and evaluating the Company’s ESG risks and opportunities, formulating the Company’s ESG strategies, policies and targets, monitoring and evaluating the Company’s ESG practices, reviewing ESG reports and evaluating the effectiveness of ESG initiatives.
ESG Working Group	<p>Its responsibilities include coordinating and developing the ESG agenda, identifying and managing ESG risks, leading the preparation of ESG reports, and presenting relevant matters as proposals to the Board for deliberation and discussion.</p> <p>The ESG Working Group, headed by the Chairman and assisted by the Vice Chairman and the Board Secretary, is responsible for managing ESG initiatives. The ESG Working Group maintains regular communication with the Board, keeps the Board informed about significant ESG matters, actively participates in discussions, and provides annual progress reports to the Board at least once a year to report to the Board of Directors.</p>
EHS Committee	To further strengthen the supervision of EHS (Environmental, Health, and Safety), we established the EHS Committee in 2024, chaired by the Vice President, with department heads and contact persons serving as members. The committee is responsible for overseeing functions related to environmental protection, occupational health, and safety, as well as formulating policies, management systems, regulatory compliance, training, and performance supervision, to achieve effective management of environmental, health, and safety work and enhance the Company’s overall competitiveness and sustainable development capabilities.

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ESG Focus Areas

• Food Safety and Quality

The Company will strictly implement relevant food safety laws and regulations, and establish a multi-level food safety management system to ensure food safety.

2024 Target	Progress in 2024	2025 Target
Maintain a food safety standard of “zero accidents” and “zero recalls”.	Achieved: Zero occurrences of major food safety incidents within the year, zero occurrences of batch quality incidents; zero occurrences of mandatory labeling and certification issues; zero occurrences of missed inspections for swine diseases.	Continue to maintain the food safety standard of “zero accidents” and “zero recalls”.

• Occupational Health and Safety

Abiding by the principle of “people-oriented, safe development” through continuous improvement in the occupational health and safety assurance system, and prevention and avoidance of potential accidents.

2024 Target	Progress in 2024	2025 Target
Strive to achieve the safety management goal of zero fatalities.	One work-related fatality occurred during the year and has been properly handled.	Strive to achieve the safety management goal of zero fatalities.

• Integrated Resources Utilization

Enhancing the cycling of planting and farming of “breeding-biogas fertiliser-ecological agriculture”; recycling animal manure resources.

2024 Target	Progress in 2024	2025 Target
Achieve innocuous treatment rate of 100%.	Achieved: 100% innocuous treatment rate during the year. At the same time, the treated residue is used as raw materials for the production of organic fertiliser in collaboration with the growers.	Continue to maintain innocuous treatment rate of 100%.

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• Respond to Climate Change

Actively monitoring carbon emission; enhancing efficiency of energy utilisation; supporting the national “carbon peaking and carbon neutrality”.

2024 Target	Progress in 2024	2025 Target
Plan to achieve a decrease in energy consumption intensity by 2.8% from 2022 to 2025, and a decrease in greenhouse gas emissions intensity by 2.8% from 2022 to 2025.	Achieved: Benefiting from the improvement in farming efficiency and the energy saving and emission reduction initiatives adopted, our intensive farming energy consumption intensity (in MWh/RMB million) and our greenhouse emission intensity (in tonnes of CO2 equivalent/RMB million) reduced are significantly lower than those in 2022, and we have achieved this target.	We will continue to adopt energy-saving technology transformation and efficient system construction to further reduce energy consumption and improve energy self-sufficiency.

Communication with Stakeholders

We continue to pay attention to the demands of stakeholders, insist on establishing a diversified communication mechanism, and maintain close contact with stakeholders. Based on the characteristics of the Company, industry trends and corporate development, we have identified several key stakeholder groups, including shareholders and investors, government and regulators, customers, employees, suppliers and partners, as well as local communities. We engage with stakeholders through various channels, respect and listen to their opinions, and proactively address their feedback to drink continuous improvement.

Stakeholders	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> • General meetings • Conducting surveys and communications with investors • Daily communication and feedback
Government and regulators	<ul style="list-style-type: none"> • Studying and implementing relevant policies • Daily reporting and approval • Relevant research and discussion meeting • Regular information disclosure
Customers	<ul style="list-style-type: none"> • Official website, WeChat and other interactive platforms • Customer complaint hotline • Product promotion and services • Daily communication
Employees	<ul style="list-style-type: none"> • Interviews with employees • Communication on employees' performance • Suggestions and complaints from employees

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Stakeholders

Suppliers and Partners

Communication Channels

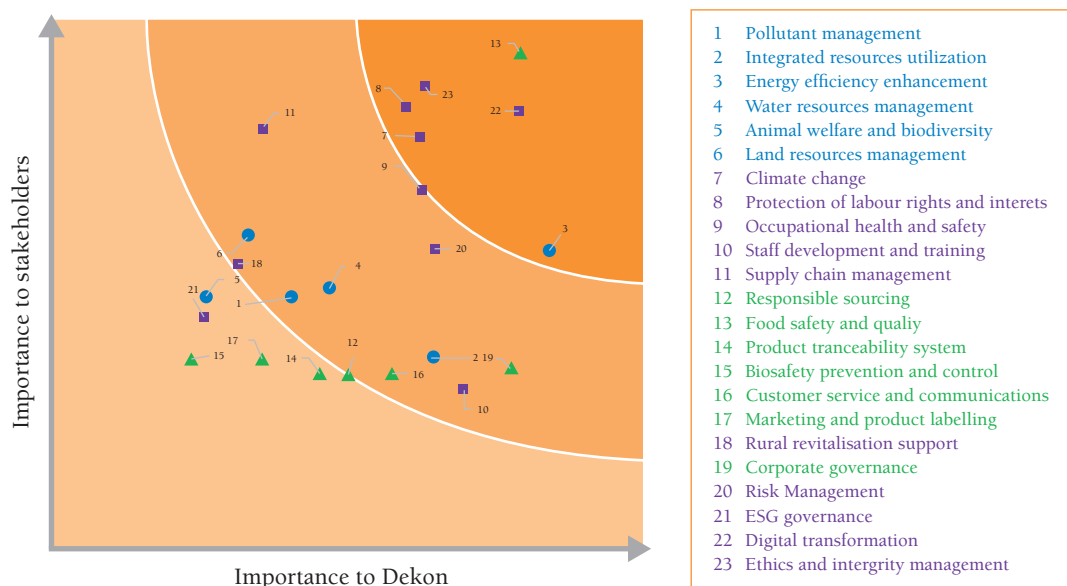
- Procurement and tendering
- Supplier inspection
- Holding meetings to facilitate communication
- Daily communication

Local communities

- Charity
- Community of community projects
- Volunteer service activities

Identification of Material Issues

Assuming there are no significant changes in the internal and external environment, the Company implements a materiality assessment procedure on a two-year cycle, conducting a comprehensive assessment of materiality issues in the first year and verifying the assessment results in the second year to determine whether adjustments are necessary. In 2023, the Company identified and screened a list of ESG topics relevant to the Company according to established work procedures. These issues were evaluated from two dimensions: “importance to stakeholders” and “importance to Dekon”, forming a materiality matrix. Subsequently, the material issues were selected and submitted to the Board of Directors for review and approval, serving as the objectives and action direction for our ESG management work. In 2024, upon assessment and verification, the Company did not adjust the results of the previous year’s materiality assessment.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. INTEGRITY IN GOVERNANCE, DRIVING HIGH-QUALITY DEVELOPMENT

Dekon devotes its continuous efforts in improving the level of corporate governance by monitoring the key factors in corporate governance, refining the compliance operation mechanism on all fronts, strengthening risk management and control, enhancing corporate governance, with aim to achieve high-standard corporate governance that is crucial to our development and protecting the rights and interests of shareholders, and secure the high-quality development of Dekon with robust operation.

1.1 Optimising the Governance Structure

Dekon constantly improves the corporate governance structure, and promotes the standardization and effectiveness of corporate governance. We have established a governance structure composed of the General Meeting, the Board of Directors, the Board of Supervisors, and senior management, which perform their own duties under respective terms of reference, take full responsibility for their own responsibilities and operate in coordination, and the units at all levels perform their respective responsibilities fairly to protect the interests of the Company and shareholders as a whole.

Board of Directors	The Board of Directors is accountable to the General Meeting, assumes the ultimate responsibility for the Company's operations and management, and convenes meetings in accordance with legal procedures to exercise its functions and powers.	It consists of nine Directors, including five executive Directors, one non-executive Director, and three independent non-executive Directors.
Board of Supervisors	The Board of Supervisors maintains close contact and communication with the Board of Directors and the management with an attitude of being accountable to all shareholders, conducts the appraisal on the duty performance of Directors and Supervisors, and effectively fulfills their powers and obligations to supervise.	It consists of three Supervisors.
Senior Management	It performs its duties and conducts business operation and management in accordance with the decisions of the Board of Directors, and is responsible for managing our daily operations.	It consists of five members.

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Board Committees

The Board of Directors of the Company has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each special committee strictly performs its duties, puts forward opinions and suggestions on relevant work, and assists the Board of Directors in making scientific decisions.

Audit Committee	The Audit Committee consists of three members, the primary duties of which are to assist the Board by providing independent views on the effectiveness of our financial reporting system, risk management and internal control system, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by the Board.
Remuneration Committee	The Remuneration Committee consists of three members, the primary duties of which are to establish and review the policy and structure of the remuneration of our Directors and senior management, and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.
Nomination Committee	The Nomination Committee consists of three members, the primary duties of which are to make recommendations to our Board on the appointment of Board members.

Board Diversity

We maintain and constantly promote diversity on the Board. All appointments of members of the Board shall be based on meritocracy, and the candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The diversity and balance of the Board of Directors are important components of our corporate governance structure, which help enhance the quality and efficiency of decision-making, and promote the Company's long-term stable development. We will constantly commit to maintaining and enhancing the diversity of the board to adapt to the ever-changing business environment and market demands. As of the end of 2024, our Board of Directors has one female director.

Board Independence

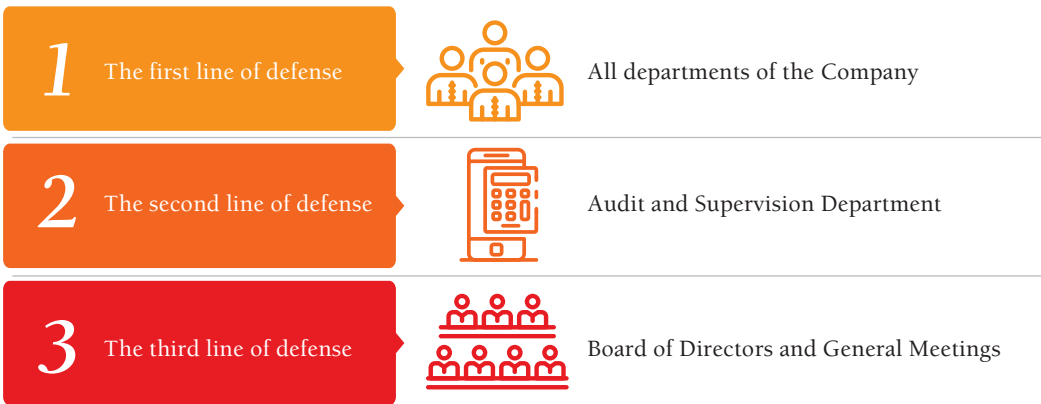
The Board of Director includes a balanced composition of executive Directors and independent non-executive Directors, which enable the Board of Director to have strong element of independence to make independent judgments effectively. As of the end of 2024, the proportion of independent directors of our board was 33.3%.

1.2 Risk Management System

We insist on promoting the construction of a risk management system, improving the effectiveness of risk management, identifying emerging risks, and enhancing the ability to respond to various risks, so as to ensure the sound operation and sustainable development of the Company. We have formulated and implemented the Business Risk Management System of Dekon Group (《德康集團企業風險管理制度》), which clearly sets out the risk control points of the Group headquarters, regional companies and corporate companies, as well as the three lines of defense for risk management and control.

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Three lines of defense for risk control



Our risk management system sets out procedures for identifying, analyzing, classifying, mitigating and monitoring various types of risks and reporting levels related to the risks identified in our operations. Each business unit and functional department is responsible for identifying and assessing risks related to its business scope, and implementing risk management and internal control systems. Our Audit Committee is responsible for overseeing the implementation of the overall risk management and internal control system by overseeing the management and evaluating the risk management and internal control system.

ESG Risks

We attach importance on complexity and diversity of ESG risks, and has established the process of ESG risks identification and management that require its departments and subsidiaries to highlight environmental and social risks during the course of their operations, identify events that may cause effects and the corresponding risk factors, and adopt appropriate risk mitigation measures. For key areas such as safety production and environmental protection, we clearly specify levels, classification standards, flows of reporting and criteria of punishment for these events/incidents. We have also exercised effective control on the causes of ESG risks through various measures such as specific trainings and hazard screening. In assessing the materiality of ESG risk factors, we have taken aspects and extents of impacts of the ESG matters on our daily operation as a major consideration. These impacts include but are not limited to impairment and depreciation of assets, increase/decrease in operating costs, increase/decrease in sales revenue and enhancement/impairment of reputation. These impacts may have further effects on realisation of our strategies and financial performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Risk Management

Risk Factors	Potential impact	Actions taken
Climate Change	Physical risks (such as rainstorms, floods and other extreme weathers) may lead to loss of breeding facilities and biological assets and trigger secondary disasters such as environmental pollution, occupational safety and other incidents. Transition risks including “limiting electricity and limiting production” measures and rising energy prices may also lead to higher energy expenses or business interruptions.	Strengthen monitoring and early warning of extreme weathers, and prepare updated emergency response plans for disasters; improve our energy mix, and promote synchronisation to the grid with methane-fired generation; explore possibilities of developing photovoltaic power generation projects in breeding farms.
Use of Water Resources	Strengthened control by the government over the total amount and intensity of water use may result in the increase in water consumption quota or higher water use costs.	Strengthen monitoring and analysis of water use, strengthen efforts in assessing the fulfilment of water-saving targets; increase the use of wastewater by reusing purified wastewater for various techniques such as spraying deodorants.
Waste & pollution	Improper or delayed treatment or leakage of odour, biogas and wastes biogas slurry may cause adverse impacts on surrounding environment, resulting in complaints and environmental penalties.	All breeding farms are equipped with diversion system that segregates rainwater from wastewater, which segregates pollutants from wastewater for resource utilisation; by adopting various measures such as “source control, process control and end treatment”, we have reduced the extent of environmental impact of odors; ensure innocuous treatment of sick and dead livestock and poultry is fully implemented and resource utilisation of livestock dung.
Antibiotics misuse	Incompliant use of antibiotics and veterinary drugs may have an impact on public health and subject us to regulatory penalties and consumer resistance.	Strictly follow management on ear tags for epidemic prevention and the medicine withdrawal period management system; complete testing of drug residues; improve the pig health test plan together with testing of drug residues.

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Risk Factors	Potential impact	Actions taken
Work conditions	Our production process involves occupational hazards risks such as poisoning and suffocation in confined spaces, biogas safety, fire, and mechanical injury. Failure to improve work conditions or a low awareness among employees of protection that led to a lack of protective gears may cause occupational hazards.	We regularly conduct detection and routine monitoring of occupational diseases and hazardous factors, and provide workers and employees with adequate protective equipment and conduct annual health check for employees; we enhance occupational safety and protection through various means such as hierarchical management, hazard screening and trainings for occupational hazards.
Business ethics and compliance	Violation of business ethics by our employees or suppliers may damage our business interests and image.	We improved the anti-corruption and compliance systems, by which our employees are not allowed to obtain or receive unjust enrichment from suppliers and offering bribes to the related personnel; we provided corruption and anti-bribery trainings to enhance the awareness of ethics among employees and suppliers.

1.3 Integrity and Compliance in Operation

We strictly comply with national laws and regulations, insist on regulating our own production and business practices, foster a culture of risk awareness and compliance across the Group, fully practice business ethics during the course of business transactions, and conduct business activities in a fair, honest, trustworthy and transparent manner. In 2024, there were no non-compliance incidents that have a material impact on our operational or financial conditions.

Internal Control

The Board is responsible for ensuring that we maintain sound and effective internal controls to safeguard the Shareholders' investments and our assets. We have adopted a series of internal control policies, procedures and plans designated to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

- Internal control manual. We have formulated an internal control manual, which includes the corresponding systems and standards, flow charts, risk control matrix, etc. for key business procedures of our various business segments and elaborates on the risk and control points of the key procedures. Internal control standards for business operations are formed based on the above and executed and promoted via training on the internal control manual.
- Authority system. We have developed a manual of rights and responsibilities, which clearly specifies the authorised persons, conditions, scopes and limits, etc. for various posts involved in our internal controls. No organisation or individual is allowed to make any risk decision which exceeds the relevant limits of authority.

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- Internal audit. Our internal audit department regularly monitors key controls and procedures in order to assure our management and Board that the internal control system is functioning as intended. The internal audit department is also responsible for monitoring the reporting management. The audit committee under our Board is responsible for supervising our internal audit function.
- Comply with the Listing Rules. Our various policies comply with the Listing Rules of the Hong Kong Stock Exchange, including but not limited to aspects related to corporate governance, connected transactions, and securities transactions by our Directors.
- Compliance adviser. We have engaged professional compliance adviser to advise on our ongoing compliance with the Listing Rules of the Hong Kong Stock Exchange and other applicable securities laws and regulations in Hong Kong.

Integrity and Anti-corruption

We strictly follow the laws and regulations of the place where we operate, and after taking into account operation practices of the Company, have formulated the Audit and Supervision Reporting System of Dekon Group (《德康集團審計監察舉報制度》), the Business Risk Management System of Dekon Group (《德康集團企業風險管理制度》) and the Measures for Whistleblowing Management of Dekon Group (《德康集團舉報管理辦法》) and other relevant systems, which set out the obligations and rights of the Company in terms of anti-corruption, and the supervision mechanism.

We require our employees to sign integrity regulations, which explicitly prohibit them from soliciting or accepting undue benefits from suppliers and offering bribes to related personnel. We have signed anti-corruption and integrity commitment letters with general managers and above executives of purchasing, sales, engineering, finance, and regional companies, and all matters involving anti-corruption cases will be reported to the regional companies and the Board of Directors at the first time after they are verified. We regularly conduct business ethics and anti-corruption training for board members, management, employees and suppliers, and require suppliers to similarly comply with integrity requirements.

Integrity and Anti-corruption Measures

- Establish a reporting and investigation system, enhance the quality of reporting, intensify the investigation (human and material resources), conduct professional empowerment against fraud, and improve the professional capabilities of the investigation team;
- Optimize systems such as the “Measures for Whistleblowing Management of Dekon Group” and the “Reward and Punishment Management Regulations of Dekon Group”;
- Strengthen the promotion of integrity education. We launched the “Dekon Supervision” public account on an online platform, and published four anti-corruption themed articles within the year. We also conducted over 20 offline integrity promotion training sessions, covering new employees, young cadres, and staff in specialized areas such as procurement, breeding, and pig farming.
- Issue a self-inspection and rectification notice within the Group, and establish a self-inspection feedback channel;
- Strengthen offline communication and exchanges with members of the “Corporate Anti-Fraud Alliance”.

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In 2024, the Company focused on anti-corruption in departments related to materials and treasury, such as procurement and supply chain department, sales department, engineering department. For the cases reported through telephone, email and QR code platform, as well as the cases founded in our daily business audits and special audits, which involve any corruption, we will make in-depth investigation thereon and have final results feedback.

Whistleblowing Mechanism

Relevant systems	Measures for Whistleblowing Management of Dekon Group
Reporting Channel	3 types online (mini programs, email, corporate APP), 2 types offline (whistleblowing hotline, registered mail)
Incentive mechanism	Divided into 4 major categories, with 4 criteria per category, totaling 16 incentive categories.

We will strictly investigate and deal with employees' behaviors such as privately accepting gifts from suppliers, privately accepting benefits from customers, and over-reimbursing expenses, and impose punishments and terminate labor contracts depending on the severity of the cases. In 2024, no corruption-related violations with significant impact on the Company occurred.

Throughout the year, the Company conducted integrity promotion for all employees and invited economic crime investigators from the public security department to provide on-site anti-corruption training, with over ten thousand employees participating.



Whistleblower Protection

We have set forth the principle of confidentiality for all whistleblowing information in the Audit and Supervision Reporting System of Dekon Group (《德康集團審計監察舉報制度》) to ensure the personal safety of whistleblowers, and meanwhile, the system also clearly set out the entire operation process of reporting and feedback, investigation, processing and recording. The Company allows anonymous reporting, stipulates that the personal information of the whistleblower shall not be verified without authorisation for the anonymous reports. For the intentional leaking of the whistleblower's information or retaliating against the whistleblower, we will take serious actions once verified.

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Intellectual Property and Protection

The Company strictly complies with the Civil Code of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other relevant laws and regulations relating to the protection of intellectual property rights, fully implements the protection of intellectual property rights, attaches importance to the establishment of intellectual property rights management norms, and strictly protects our intellectual property rights. In 2024, we are not aware of any intellectual property rights infringement that has a significant impact on the Company.

In 2024, we actively pursued scientific and technological innovation and safeguarded our intellectual property through patent applications and other measures. During the year, the Company obtained authorization for 2 invention patents, 6 utility model patents, and participated in 14 national and local scientific and technological research projects. Within the year, the Company's breeding technology system won the Second Prize of Sichuan Province Science and Technology Progress.



1.4 Value Chain Management

To strengthen the management and supervision of the supply chain, we have formulated and implemented the “Supplier Management Standards”, “Supplier ESG Assessment Mechanism Standards”, “Supplier Product Quality Assessment and Requirements”, and the “Statistical Mechanism for Establishing Local Procurement Indicators”. Combined with the business structure, we conduct precise management in key areas such as procurement and farmers. As of the end of 2024, the Company had 1,912 suppliers, all of which were located in Mainland China.

The Company has established a regular communication mechanism with suppliers, using various online and offline methods to communicate at least once a month and promptly resolve any cooperation issues. Additionally, the Company conducts a systematic training session quarterly to introduce corporate cultural values to partners. These sessions cover topics such as selection and evaluation, relationship management, performance management, risk management, social responsibility, and procurement contract management.

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Supplier Assessment and Qualification Review

In 2024, the Company established an ESG assessment mechanism for suppliers, focusing on the assessment of suppliers from following nine aspects. During the year, the Company conducted investigations on the environmental and social performance of suppliers through various means such as information search and on-site inspections, and basically realised full coverage.

Assessment Items	Assessment Indicators
Resource utilization efficiency	<ul style="list-style-type: none">• Energy• Water resources• Raw materials
Pollutant Emissions and Treatment	<ul style="list-style-type: none">• Waste water• Waste gas• Waste
Environmental Management System	<ul style="list-style-type: none">• Certification status• Environmental policy
Labor Rights	<ul style="list-style-type: none">• Employment relationship• Working conditions• Wages and benefits
Human Rights and Community Development	<ul style="list-style-type: none">• Protection of human rights• Community participation
Product Responsibility	<ul style="list-style-type: none">• Quality and safety• Consumer rights
Governance Structure	<ul style="list-style-type: none">• The Board of Directors• Decision-making mechanism
Compliance Management	<ul style="list-style-type: none">• Laws and regulations• Business ethics
Risk Management	<ul style="list-style-type: none">• Risk identification• Response measures

The Company clarifies quality management certification standards and conducts regular on-site spot checks of suppliers' relevant qualifications. For suppliers with cooperative intentions but not yet meeting the target certifications, we provide necessary guidance and support, share relevant standards and requirements, and assist them in establishing or improving their quality management systems. During the supplier qualification review process, we categorize selection indications into three tiers: mandatory, important, and reference.

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Three-tier indicators for supplier selection

Mandatory indicator	The qualifications of suppliers and the materials supplied must comply with the requirements of national laws and regulations. Those do not meet the requirements of this tier will be excluded.
Key indicators	Including technological advancement, quality stability, safety assurance, production safety and environmental protection
Reference indicators	Supplier's financial status, service capability, industry influence, and business reputation, etc.

Purchasing Quality Management

Procurement of raw materials

Our raw materials primarily include feed, feed ingredients, veterinary drugs, and vaccines. We adopt a centralized procurement strategy, with most raw materials being purchased in bulk by the headquarters to achieve economies of scale and quality control. Meanwhile, we enter into a strategic cooperation framework agreement with key partners, with a term ranging from six months to two years. We have established systems and requirements related to raw material procurement from the following six aspects:

- Qualification review
- Quality standards clarification
- Sample inspection
- Contract standards
- Incoming goods inspection
- Supplier evaluation and assessment

Procurement of feed and feed ingredients

We strictly select high-quality and stable suppliers of feed and feed ingredients to control food safety in the upstream process. We have established a supplier admission system and maintained a list of qualified suppliers, conducting preliminary screening, laboratory testing, and on-site inspections before admitting a supplier on the list. Annual performance evaluation is conducted according to the quality and service standards of suppliers. We require feed suppliers to implement the same control standards as our own feed mills, and have a dedicated supervision department to supervise feed suppliers through random inspections and on-site regular inspections, and implement rules and procedures covering all aspects of feed production.

We have established a comprehensive system for ingredients assessment, acceptance, and processing. Suppliers are required to provide the supporting documents for each batch of ingredients delivered, and send samples of the ingredients to the factory for inspection and issue test reports. Meanwhile, we conduct a comprehensive assessment of feed suppliers through on-site visits, document reviews, quality spot checks, traceability system evaluations, customer feedback surveys, and compliance audits.

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Procurement of veterinary drugs and vaccines	We conduct annual review on suppliers of veterinary drugs and vaccines to establish the “List of Qualified Suppliers”. The required products will be procured from qualified suppliers through tender processes, with the most cost-effective products selected for inclusion in the Procurement Catalogue. Meanwhile, our breeding subsidiaries will formulate monthly procurement plans for veterinary drugs and vaccines, which will be submitted to the headquarters for review.
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Localized procurement

The Company refined its supplier classification, expanded its localized procurement layout, strengthened information system construction, and deepened cooperation with both new and existing suppliers. These efforts have yielded significant results in localized procurement. They have not only enhanced supply stability and quality control but also reduced transportation and procurement costs, accelerated response times, and promoted regional economic development, establishing a favorable industrial ecosystem.

Establish a statistical mechanism for localized procurement indicators

Build an indicator system	<ul style="list-style-type: none">• Proportion of localized procurement amount• Proportion of localized procurement suppliers• Coverage rate of localized procurement category• On-time delivery rate of local suppliers
Define the scope of localized procurement	<ul style="list-style-type: none">• Definition of geographical scope• Supplier accreditation criteria
Data collection	<ul style="list-style-type: none">• Purchase order data• Supplier information data• Cost data
Data processing and analysis	<ul style="list-style-type: none">• Data cleaning and integration• Index calculation• Data analysis
Results application and communication	<ul style="list-style-type: none">• Report preparation• Internal communication• Supplier communication
Continuous optimization	<ul style="list-style-type: none">• Target adjustment• Mechanism improvement

In 2024, we added 300 partners in the procurement process. The development of new partner businesses will create more employment opportunities, drive the development of related industries, and contribute to local economic growth.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Farm Owner Management

Selection	<ul style="list-style-type: none">• We have established comprehensive evaluation criteria to select suitable farmers. Through understanding the farm owners' financial resources, educational background, reputation and family farm conditions, farm owners are screened based on the criteria including whether they can become farm owners of Family Farms by combining the farm owners' knowledge and technical capabilities.
Management	<ul style="list-style-type: none">• The Group closely cooperates with farmers in site selection and farm design, appoints production management personnel to visit family farms on a regular basis to supervise and guide farmers, and check on-site key production processes such as immunisation, mating, farrowing, weaning, sales and output, and define and confirm the number and conditions of pigs.• When farm owners report that the pigs are culled or abnormal, the production management specialist will promptly provide feedback on treatment plan, check the pigs on-site, and issue a document for biosafety disposal upon signing and confirmation by the farm owners.• We require farm owners to comply with applicable laws and regulations, promote a culture of compliance, and cooperate with internal control measures to ensure compliant operations.
Supervision	<ul style="list-style-type: none">• We maintain close supervision at all stages of farm owners' operations to ensure that they meet our standards. During regular inspections, we check whether the operations of family farms meet the required standards, and evaluate and record the conditions and quantities of the biological assets of family farms.• The internal audit department maintains and regularly reviews records of biological assets, including biological assets held on family farms.• Standard protocols are in place for all farms and every family farm is required to perform a full stock take on a monthly basis to ensure the relevant data is accurately reflected in our data management system and submit a stock take report to our internal audit department.
Training	<ul style="list-style-type: none">• Large-scale training seminars are held at least two times a year to provide farm owners with training on new production technologies and our management standards.• In 2024, about 80 online and offline training sessions were provided for the suppliers.• We issue feeding management standards and manuals to farm owners, and assign regional technical administrators to provide small-scale and individual technical tutorial sessions to farm owners.• The regional administrators will promptly correct the farm owners who deviate from our standards and report any anomalies.

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Supplier Anti-corruption Supervision

We require all suppliers to sign an “Integrity Commitment” with the Company and conduct a comprehensive background check when selecting business partners. We also provide anti-corruption and anti-bribery training for employees involved in business dealings with commercial partners. This training enables them to understand the Company’s policies and requirements, and to master methods for identifying and preventing corruption and bribery risks. We conduct regular monitoring of business dealings with commercial partners to promptly identify any potential risks of corruption and bribery. We have established reporting channels to encourage employees, business partners, and other relevant parties to report any instances of corruption or bribery. We also protect whistleblowers to ensure their safety and confidentiality. If it is confirmed that a business partner is involved in corruption or bribery, the Company will take serious action in accordance with contractual agreements and relevant policies. Measures may include but are not limited to terminating the cooperation relationship, pursuing economic compensation, and blacklisting the partner. The Company will also actively cooperate with judicial authorities in the investigation and handling of any illegal or criminal activities.

Due diligence	When selecting business partners, we conduct a comprehensive background check, which includes reviewing their past business credit records, checking for any illegal or irregular activities, and determining if they are involved in corruption or bribery cases. Additionally, some companies assess the internal governance structure and financial position of potential partners to ensure they possess strong compliance management capabilities.
Training and education	Provide anti-corruption and anti-bribery training for employees involved in business dealings with commercial partners. This training helps them understand the Company’s policies and equips them with the skills to identify and prevent corruption and bribery risks. Meanwhile, some companies also provide relevant training to our business partners to enhance their compliance awareness and jointly promote a clean business environment.
Daily supervision	Establish a supervision mechanism to conduct daily monitoring of business dealings with commercial partners. For example, review the contract execution status, the reasonableness of transaction prices, and the authenticity of expense reimbursements to promptly identify potential risks of corruption and bribery. Regular or ad-hoc reviews of business partnerships will also be conducted through internal audits and special inspections to ensure compliance.
Whistleblowing and investigation	Establish reporting channels to encourage employees, business partners, or other relevant parties to report corruption and bribery, and protect whistleblowers. Once a report is received, the Company will promptly initiate an investigation, gather evidence, and ascertain the facts. The Company will ensure strict confidentiality of the investigation process to avoid impacting its normal operations and business partnerships.
Violation handling	If it is confirmed that a business partner is involved in corruption or bribery, the Company will take serious action in accordance with contractual agreements and relevant policies. Measures may include but are not limited to terminating the cooperation relationship, pursuing economic compensation, and blacklisting the partner. The Company will also actively cooperate with judicial authorities in the investigation and handling of any illegal or criminal activities.

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Continuous improvement The Company will conduct regular evaluations and summaries of anti-corruption and bribery supervision work, analyze the issues and deficiencies in the supervision process, and promptly adjust and improve supervision measures and policies. Meanwhile, the Company will focus on the latest developments and best practices within the industry to continuously enhance its regulatory standards.

1.5 Customer Service Management

The Company has formulated relevant management systems such as the Commercial Pig Sales File Management Standard of Dekon Group, the Commercial Pig Sales Supervision Management Standard of Dekon Group, the Pig Sales Team Management Standard, the Commercial Pig Sales and Customer Development Standard, Commercial Pig Sales Weight Sheet Management Standard, the Commercial Pig Sales and Customer Payment Management Standard, the Commercial Pig Sales Control Process, etc., and actively established standard processes to standardize customer management services, and improve service quality and service level of the Company.

Customer information management Considering that the Company primarily sells live pigs and poultry, it has established a complete sales and customer management system according to product and market characteristics. The Company relies on the Customer Relationship Management (CRM) system. The sales personnel of subordinate companies submit new customers to the relevant data specialists of the headquarters through its OA system for customer information entry, including identity information, business license, address and contact information. The Company has established a core customer plan, which stipulates the total achievement rate and monthly achievement rate. Each regional company signs an agreement with the core customer according to its own slaughtering rate, and initiates a general process for contract signing application through the OA system. The regional companies will select the customers through tender quarterly.

Sales order management The Company's sales orders are controlled through the JDE/CRM system, which indicates service completion location, project number, quantity, weight, amount, weight sheet number, weigher name, customer name, farmer name, etc. The Company has set up application and approval control process for slaughtering plan, new customers, price guidance, order plans, price adjustments, etc. to ensure proper separation of the responsibilities for sales management processes.

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Customer complaints
management

When the regional company/commercial pig sales office receives customer complaints, the sales manager/on-site salesperson verifies the complaints according to the standard, replies to the customer within 2 hours and properly handles the customer relationship, and the sales office makes corresponding complaint records. At the same time, the promotion and implementation of customer service standards are casually checked every week. If the regional company causing customer complaints fails to implement the customer service standards and properly handle the customer relationship, the sales managers will be punished according to the standard after verification. In case of further customer complaints due to non-action or intensification of contradictions after receiving the complaints, the responsible person will be punished according to the Commercial Pig Sales and Customer Management Standard of Dekon Group after verification.

The Company strictly abides by the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other relevant information security laws and regulations, promises that the collected customer information will only be used for business cooperation, and actively responds to the principle of "minimizing collection" to avoid contact with unnecessary or sensitive information beyond the necessary scope. The Company has formulated corresponding access rights and confidentiality measures, provided information security awareness training for its employees to made every effort to prevent customer information from being leaked.

II. TECHNOLOGY EMPOWERING, BUILDING A MODERN INDUSTRY

Technology and innovation are crucial to driving transformation and upgrading of enterprises and achieving high-quality development. Dekon upholds the philosophy of “a mindset of farming for food and producing food for health”, actively responds to the trend of industrial transformation and upgrading, carries out in-depth digital transformation, promotes the visualization of the whole process from production to marketing through a high degree of integration with digital technology and advanced management, so as to realize the full traceability, safety and controllability of food. Meanwhile, the Company adheres to “building a world-class genetic resource and breeding system”, constantly optimizes our breeding and farming system, in order to boost the overall improvement of farming, facilitate the Company to build a food ecosystem and march towards the high-quality development of agriculture and animal husbandry industry.

2.1 Science-based Production Management

We emphasize the science-based management of production. Through a series of management measures such as intelligence-enabled approach and lean management, we strive to improve the efficiency and quality of breeding production. We stay focused to the key links of production, make key control over the source of feed and the operation of family farms in all respects and in a strict manner, to ensure the safety and efficiency of production. We have prepared a white paper on management system of feed sector for production, biosecurity, supervision, nutrition application, administrative integration, finance, quality management, procurement and other aspects to fully guarantee the production safety and quality management of feed.

Control over the Source of Feed

To ensure food safety of the source of feed, we have established stringent quality standards and inspection and control procedures covering the whole feed production process from procurement of feed ingredients, feed production and processing to feed transportation to ensure that the feed we produce meets our quality requirement.

In 2024, we established a raw material quality management standard (Dekon Feed Standard (2024) No. 17 Raw Material Quality Management Regulation) for coordinated multi-department quality assessment and risk management based on scientific and process standards.

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Control over the Source of Feed

Supplier screening	<p>We have established a comprehensive system for evaluation, acceptance and use of raw materials, and conducted field visits to the main producing areas of suppliers to screen high-quality and reliable suppliers. In the purchase of new raw materials, we conduct a survey of the origin to obtain a large number of quality data, which is used for analysis and screening of qualified raw materials from the origin, and selectively optimal purchasing in the origin.</p>
Feed quality control standards	<p>We have established strict feed quality control standards, including but not limited to Dekon Feed Standard (2023) No. 11 raw Material Storage Management System, Dekon Feed Standard (2023) No. 14 Long-Term Stock Raw Material Quality Control System, Dekon Feed Standard (2023) No. 26 Unqualified Product Management System, etc. We try our best to implement the system to ensure that feed quality meets national standards and meets the needs of our pig and commercial broiler farms.</p> <p>We have implemented feed quality and safety management regulations and developed a traceability system consisting of source control, process control and raw material procurement management. During using the raw materials, we follow the principle of “first-in-first-out rational use” to ensure the standardized raw material storage and prevent the deterioration risk of raw materials in advance. We carry out weekly inspections to ensure the raw material quality is controlled. The deteriorated raw materials are not found up to now. If the raw materials deteriorate due to external uncontrolled environment, those raw materials will be promptly and properly disposed of in strict accordance with the process and disposal method required by the system.</p>
Maintenance of feed production equipment	<p>The feed production equipment is regularly maintained to ensure the good running condition of the equipment and improve the utilization rate of the equipment. In addition to quality control measures, we also focus on use of a precision nutrition technology for improving feed formulation design. For example, after analyzing the feed ingredients, we design the formulation to meet the nutritional needs of pigs at different growth stages, and achieve precise nutrition and cost control.</p>
Feed formulation optimization	<p>The feed formulations are optimized in a variety of ways to effectively save feed costs.</p> <ul style="list-style-type: none">• Promotion of low-protein and low-bean pulp meal diet: the Company continue to carry out research on nutritional parameters of growing and finishing pigs, optimize the original nutritional parameters and apply branched chain amino acids, reduce crude protein by 1% in growing and finishing pigs, and soybean meal added at no more than 4% of feed throughout the year;• Development and use of origin-produced raw materials: the origin-produced raw materials are developed according to regional advantages. In 2024, about 10 origin-produced raw materials were developed;• Research, development and utilization of high-efficiency enzyme preparations: based on different diet structures, the combination of high-efficiency enzyme preparations and effect verification were carried out to stably improve diet digestibility.

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In feed production and processing, we carry out fine management in seven aspects: production post responsibilities, operating procedures for production post, operating procedures for production equipment, job procedures, equipment TPM standard and inspection, monthly equipment maintenance and overhaul, and safety production guidelines. We have developed the relevant feed production safety management manual to ensure scientific production and management. In addition, we also focus on the management of prohibited articles such as feed additives and clenbuterol.

Nutrition formulation and feed additive management

Establish a sound quality management system	Strict quality standards are established to cover all process, such as raw material procurement, production process, finished product inspection, etc.
Strengthen process control	The key control points in the production process are strictly monitored, such as particle size, mixing uniformity, tempering temperature and other key parameters, to ensure stable product quality
Strengthen compliance and risk management	<ul style="list-style-type: none">• Compliance with regulations and policies• Risk evaluation

Management of clenbuterol and other prohibited articles

Source control	<ul style="list-style-type: none">• Supplier screening• Binding force of contract• Raw material testing
Process monitoring	<ul style="list-style-type: none">• Internal testing• Risk evaluation
Product monitoring	A traceability system is established to monitor the terminal products and tests are completed before leaving the factory

Family Farm Operation and Management

We have a complete, efficient and standardized family farm operation system, which affords us a high degree of control over the entire production process, ensures stable product quality, reduces overall operating costs and improves production efficiency. The system covers various aspects of our business operation, spanning from farm site selection, farm construction, animal safety management, feeding and production, training and supervision of farm owners, product quality control of pigs and broilers to environmental protection.

Selection of farm owners	We select farm owners with reference to their financial resources, education background, integrity as well as conditions of the family farms.
Batch production	Our pig farms adopt a batch production model. We set the production of the pig farms to a regular schedule of mating, farrowing, weaning and immunisation within a fixed period of time to ensure more regular production and allow to efficiently raise the per capita feeding capacity.

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Medicine withdrawal period management	We strictly implement the medicine withdrawal period management system to ensure that all pigs and broilers reach the medicine withdrawal period before sampling for medicine residue testing. We have also established a special medicine residue testing system that trains and monitors the execution of testing personnel on a regular basis to ensure the accuracy of execution and stability of testing.
Environmental protection	We have established a sound environmental protection mechanism, implemented a grid-based management of headquarter personnel and a comprehensive environmental management system for regional companies. Meanwhile, we have established noise, wastewater and solid waste treatment systems. We recycle biogas to use as fuel in pig farms, use hazard-free high-temperature bio-degradation machines to treat sick and dead pigs in pig houses, and use the by-products as raw materials for organic fertiliser.

2.2 Food Safety and Quality

Based on the industrial chain, supported by leading technologies, and guided by a sound food safety management system and standards, we take food safety culture as the guarantee. We implement the main responsibility of food safety, and ensure food safety throughout the whole chain from farm to table by managing animal health and antibiotics, preventing animal epidemics, and managing product traceability.

Strict Compliance with Food Safety

We strictly abide by the Food Safety Law of the People's Republic of China, the Law of the People's Republic of China on Agricultural Quality and Safety, and other relevant laws and regulations, and regard food safety and quality as our top priority. We continuously improve the level of food safety management to ensure that there are no major safety hazards to consumers. We implement a strict quality control and food management system, fully use laboratory resources for food safety testing, actively cooperate with external institutions for product sampling testing, and strengthen the biosecurity and food safety training of employees to fully follow the food safety requirement during the entire process of all operation stages. In 2024, we have achieved zero food safety incidents, zero batch quality accident, zero mandatory certification and certification issues, and zero pig disease inspection accidents, and we did not encounter any material food safety incidents or recall events.

We always take our customer and consumer interests at heart in the decision-making process, aiming to achieve targets of “zero quality accidents” and “zero product recalls” in our operations. In the event of any suspected issue that may impact our product, we will take immediate action in accordance with internal policies to voluntarily recall products in a timely manner, and take measures to avoid the recurrence of similar incidents.

We maintain close communication with various channels and customers. In 2024, we had not received the customer complaints regarding our products and services.

• *Food Safety System Upgrading*

In 2024, we continued to refine management and established product quality and food safety systems, and the standards for raw and auxiliary materials and pig admission and product delivery, and continued to improve the standard management and operation level. We achieved zero occurrences of major food safety accidents, batch quality incidents, issues related to mandatory labeling and documentation, and omissions in the inspection of swine diseases. Official inspections have resulted in a 100% pass rate.

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According to the Notice on In-depth Implementation of Pig Slaughtering Standardization Demonstration of the General Office of the Ministry of Agriculture and Rural Affairs (NBM (2021) No. 39), the Construction Guide for High-quality Agricultural Development Standardization Demonstration Project (Pig Slaughtering Standardization), and the Pig Slaughtering, Quality Management Code (No. 710 Announcement of the Ministry of Agriculture and Rural Affairs), we have prepared more than 50 food safety systems and 4 standards to ensure our legal and orderly production and operation.

Measures	Contents
Development of 2024 Annual Training Plan	The employees' theoretical knowledge and practical skills are improved through on-site guidance, proofing, PPT presentation, typical case analysis, and the training and guidance provided by internal and external professional teachers, with a total of 31 training sessions were provided for employees throughout the year. Our employees are active in obtaining various qualifications and certificates, among which, 17 employees have obtained the veterinary and sanitary inspection qualification certificates, 7 employees have obtained food safety management qualification certificates, and 5 employees have obtained the internal system audit personnel qualification certificates.
System management, and introduction of third-party certification bodies to help market development	We have introduced advanced quality management system, introduced third-party certification institutions such as China Certification & Inspection Group, and China Quality Mark Certification Group, completed the certification audit of HACCP, ISO9001 quality management system, ISO22000 food safety management system, ISO14000 environmental management system, and implemented product quality and food safety system control to provide prerequisite support for marketing in high-end supermarkets and restaurants, and special provinces and cities.
Pest and rat control outsourcing	Pests and rats are controlled by the professional and experienced control team of third party in workshops and factory buildings to help food safety control, improve our systematic and professional management, brand image and reputation so that consumers feel more assured.
Strict source control, and strengthening public opinion and risk supervision	<ul style="list-style-type: none"> • Implementation of supplier access review and formulation of Qualified Supplier List • Inspection of purchased materials and pig batch, centralized inspection, decentralized use, batch traceability • Timely understanding, reading and decomposition of relevant regulations, policies and public opinion information, learning and implementation of self-examination • Preparation of a List of Regulations and Standards • Preparation of 2024 Risk Monitoring Plan • Preparation of Food Safety Monthly

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Establishment of food safety team We carry out food safety self-inspection every month, regularly carry out food safety emergency drills, food safety protection drills, simulation and traceability drills, and internal system audit and third-party system supervision and review every year, employ qualified third-party testing institutions to test our production water and products by once a year, set the red line, observe the bottom line, and establish a food safety protection wall to comprehensively ensure our legal operation.

• *Animal Health Management*

Animal health management is the key to ensuring food safety. We have taken active prevention and control measures for the outbreak of African Swine Fever and other diseases, purification of major diseases, and food safety enhancement through our biosecurity system and related disease purification technologies.

Biosecurity System

Site selection We develop and implement strict biosecurity specifications, including terrain, separation of clean and unclean roads for entry and exit, distance from dangerous areas, water quality, air quality, distribution and ventilation of the barns. Ecological environment and means of isolation are also considered holistically to ensure that the pig farm has a natural barrier against epidemic.

Factory design We adopt various advanced concepts in designing our facilities, including that the planning and design of our farms strictly follow the principle of separating the areas of personnel isolation, living, production and environmental protection; the layout of the production sites of our pig farms are well-suited to the production process, which reduces the time and distance for the transfer of pigs during different stages of production; the pig house follows the model of large buildings and small units, which is conducive to cooling in the summer and heat preservation in the winter, facilitating all-in and all-out of units and epidemic prevention and control; and decontamination facilities are installed in each area.

Facility security We leverage advanced biosecurity facilities and equipment on and off-site to decontaminate materials, personnel and vehicles to intercept risks in advance and reduce the pressure of pig farm prevention and control. We use advanced ventilation and modern environmental control equipment to make the environment control (including air quality and temperature) in the barns more stable and reduce the risk of developing diseases. Due to our rapid expansion in recent years, we enjoy latecomer advantage from the design and construction of our pig farms. A higher degree of modernization of plants and complete sets of equipment, larger scale, more advanced and improved construction enable us to maintain optimal biosecurity conditions.

Staff training We have a well-established biosecurity training system for all employees to efficiently empower their awareness, skills and sense of responsibility, and provide a strong organizational commitment to disease prevention and control.

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Close supervision

We have formulated a strict and effective biosecurity system and supervision mechanism for livestock and poultry farms to ensure that all personnel, materials, vehicles and livestock and poultry are transported, cleaned, disinfected and isolated in accordance with biosecurity regulations, and we monitor the infection pressure in the areas surrounding the farms in order to detect early warning of infection pressure in the surrounding environment. We have also established a quality traceability system through which we are able to strictly control and monitor the flow of our products along the industry value chain.

• *Management of Antibiotics Usage*

We comply with the relevant laws and regulations in relation to use of antibiotics and comprehensively standardize and control the use of antibiotics in the farming and breeding and production process. We have set clear requirements: before bringing the breeding pigs to the market, all applicable national regulations shall be strictly followed with all required testing of drug residues completed and test reports properly filled. The medicine withdrawal period for antibiotics used in pigs shall be strictly implemented and pigs are not allowed to be sold in the market during the medicine withdrawal period. Banned drugs are prohibited throughout the production process. We conduct residue testing on pig urine to ensure the pigs are free from banned drugs and medicine residue before being released to the market. Only those passed the testing can be sold in the market. For example, according to our policy, there must not be any detectable level of antibiotics in the pigs.

As of the end of 2024, we had a three-level laboratory system equipped with advanced instruments and equipment such as fluorescent quantitative PCR instruments and automatic nucleic acid extraction instruments with the capabilities to screen more than 200 parameters. We have designed a pig health test plan based on factors such as region, season and herd structure to facilitate the general research on antigens and antibodies in herd, analyzing the pattern of growth and decline of antigens and antibodies and the health of pigs as references for disease prevention and control, and immunization and health care procedures.

Preventing Animal Diseases

We are committed to providing safe, high-quality and reliable products and believe that the continuous development of disease purification technology is the key to ensuring safety. Based on the characteristics of our business, we have adopted different biosecurity and quality control measures for pigs and poultry to prevent and control animal diseases and ensure biosecurity.

• *Pig Disease Prevention Management*

Dekon emphasized the health management concept of “management is more important than breeding, breeding is more important than prevention, prevention is more important than treatment”, and comprehensively protects the pig health through systematic and comprehensive measures in many aspects such as environmental control, nutrition supply, biosecurity and pig health care. We carried out precise pig health management technology empowering, publicized and provided the training on disease prevention and control in rainy season and special disease prevention and control in winter, achieved 100% full coverage of the group’s self-owned farms, and carried out 17 biosafety training sessions for 2,569 person-times in the whole year.

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Biosecurity measures for pigs

Site selection of pig farms	We develop and implement strict biosecurity specifications for pig farm site selection, including terrain, separation of roads for entry and exit, and straight-line distance from dangerous areas (other farms, slaughter plants, biosecurity disposal areas, garbage dumps, public roads).
Equipment and personnel protection	We adopt a four-level decontamination circle outside the pig farm, including (i) first-level decontamination at the initial cleaning point/food material disinfection point, (ii) second-level decontamination at the standard decontamination center/pre-storehouse/off-site personnel isolation point, (iii) third-level decontamination at the pre-disinfection point of the pig farm, and (iv) fourth-level decontamination at the gate of the pig farm. We also adopt the five-level protection circle inside the farm with decontamination points at isolation area, living area, production area, pig house, and environmental protection and biosecurity disposal area to ensure strict disinfection and isolation management and the one-way biosecurity flow of people. Both our own farms and family farms are equipped with multiple peripheral and internal biosecurity equipment.
Infection stress testing	We monitor the infection stress testing in the areas surrounding the pig farms in order to detect early warning of infection risk in the surrounding environment. Through real-time tracking and investigation of the disease of pig farms and farm owners in areas surrounding our pig farms, virus detection and monitoring of personnel, vehicles, and materials on the pig farms, we comprehensively assess the risk of infections and make adjustments to the biological safety level according to the assessment results and prepare an early warning plan for epidemic prevention and control.
Disease control measures	We closely monitor animal disease outbreak on our farms and family farms and have developed various disease cleansing programs in response to reports of disease outbreaks. We implement strict biosecurity measures and promptly eliminate diseased animals once identified. We also divide our pigs and broilers into smaller groups during farming process to prevent the spread of the disease.

We established a sound disease prevention and control system, pig health inspection mechanism, a detailed epidemic prevention and control plan, and taken regular prevention and control measures for major diseases such as ASF, diarrhea and PRRS. We have actively carried out disease purification projects for the core breeding and propagation fields of the Group.

Our health testing center is equipped with 44 laboratories at different levels, which continuously develop innovative testing methods and continuously optimize testing costs under the premise of ensuring the accuracy and reliability of test results. In 2024, both the Feed Quality Testing Center and Health Testing Center of Dekon Industry Research Institute obtained laboratory accreditation certificates issued by China National Accreditation Service for Conformity Assessment (CNAS), indicating that two centers have quality management system, software and hardware, equipment and facilities and inspection and testing technical capabilities conforming to international standards.

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• Poultry Disease Prevention Management

In the poultry production process, we have adopted the following strict biosecurity and quality control measures to reduce the risk of disease introduction and spread, and to ensure the health and quality of the chicken flock.

Biosecurity measures for poultry

Site selection and planning of breeding farms	We start with site selection to perform a comprehensive assessment of the chicken flocks, including water quality assessment, air assessment, and pathogen infection risk assessment. In terms of chicken house construction, we strictly follow: (i) biosecurity requirements, which include measures that impede the spread of pathogenic microorganisms, (ii) allocation of chicken houses based on the feeding requirements of small, medium, and large chickens or chicken flocks of different breeds, and (iii) orientation of chicken houses to ensure good ventilation and other aspects in planning and construction.
Environmental control	We comprehensively upgrade the environmental control equipment of the chicken house to stabilize air quality and temperature in the chicken house and reduce the risk of disease. In particular, we carried out a comprehensive environmental control transformation of the hatchery, and the slight adjustment of various parameters allows us to create a stable incubation environment, which plays a very important role in the stability of the quality of the chicks. We monitor the microorganisms in the hatchery environment every month to prevent pathogenic bacteria from being brought into the broiler farms and reduce the incidence of diseases. We also strengthen water quality management and purification by sampling the amount of microorganisms in water against benchmarks every month to prevent pathogenic bacteria from passing through orally to chickens. We perform cleaning of the weeds around the chicken house regularly and strictly prohibit littering of vaccine bottles, dead chickens, and garbage.
Immunization management	We formulate immunisation procedures according to different seasons and regions and strictly manage immunization operations to ensure that vaccine immunization is in place. Meanwhile, we established a laboratory for each subsidiary to monitor antibodies and evaluate the effectiveness of immunity.
Management systems for personnel and disinfection	Pursuant to our Management Measures on Poultry Farm Epidemic Prevention, we implement strict disinfection management measures, personnel and vehicle management, medication management, isolation, broiler sales management, and biosecurity management. Specialized personnel are designated to conduct inspections on each subsidiary every month to ensure strict compliance with the standards. In terms of disinfection, we have specialists who evaluate various disinfection procedures and optimise the disinfection procedures to ensure effective disinfection.
Other control measures	We strictly prohibit bringing any non-local poultry products into the chicken breeder farm. It is strictly forbidden to visit the chicken houses at will. In principle, the arrangement of all personnel should be carried out in the order from small chicken, medium chicken, to big chicken, subject to adjustment depending on the health condition of chickens.

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Starting from healthy chicks, we are committed to reducing the level of germ-derived disease pathogens in our chicks, such as leukaemia, salmonella, mycoplasma, etc. The positive rate of leukaemia pathogens and salmonella in our chicks has reached a very low level. In 2024, there had been no material animal disease outbreak in our self-operated and family farms for poultries.

- *Medicine Residue Monitoring and Raw and Auxiliary Materials Acceptance*

This year, we conducted monthly regional cross-testing and quarterly sampling inspection to monitor drug residues, health indicators and other product risk indicators. All monitoring results meet the national standards, and the headquarter laboratory has obtained CNAS certification. We continue to train, empower and carry out benchmarking to improve the risk identification and detection skills of frontline business and strengthen internal control measures. 16 risks have been effectively eliminated timely by identifying abnormal high risks of raw materials. The raw and auxiliary material acceptance specifications are explained by implanting strong information control in business flow, and the problems caused by human factors are avoided.

We strictly implement the medicine withdrawal period management system. All chickens must reach the medicine withdrawal period before sampling for medicine residue testing. We have established a special medicine residue testing system that regularly trains and evaluates the execution of testing personnel to ensure the accuracy of execution and stability of testing. In addition, we pay close attention to the updates of residue detection methods and projects from relevant government departments and the industry, and update our medicine residue detection methods in a timely manner. The staff of our production department must provide the medicine residue test report, the status of the medicine withdrawal period of the chickens, the status of the feed withdrawal period, and the sales staff may market the chickens only after all the criteria are met.

Product Traceability Management

We have established a traceability system for breeding pigs, market hogs, market piglets, yellow-feathered chicks and broilers, which helps us track the product flow and the detailed product information of downstream customers. We can trace the use and the suppliers of procured chicks, feed, vaccine and medicines via the information system.

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2.3 Active Layout of Smart Farming

Dekon continues to promote AIoT-based (Artificial Intelligence and Internet of Things) farming practices, and uses AI technology and IoT technology for farming and production process management, disease monitoring and protection, biosafety management, smart equipment management, etc., to continuously improve production indicators and increase efficiency and reduce cost, and further realize food safety traceability.

The system has been implemented and transformed in the key nodes of business application. Dekon's AI smart farming project has achieved key results: the best implementation plan has been implemented for Dekon smart farming cloud platform, the "smart data acquisition method based on computer vision image recognition" has been granted with a national invention patent, and has been put into practical use in Sichuan, Chongqing, Jiangsu, Guizhou, Hubei and other places. The technology not only has outstanding advantages in disease prevention and control, biosecurity, data acquisition and so on, but also has a significant effect on industrial efficiency improvement.

Digital transformation results

Digital platform	We have built a digital platform, changed the business process, and based on business processes, established integrated business applications for the whole industry of the Group (planting, feed, pig farming, poultry breeding, slaughter, food, etc.). In 2024, we have built a unified digital platform and process-based application platform for the whole group to realize the integration of industry and finance. We have successively completed online slaughtering food business platform, planting business platform, feed business platform, farming supply chain/cost accounting/finance and other business platforms.
Customer management platform and pig auction-based sale platform	We streamline the customer development and management process, establish a multi-channel sales model primarily driven by auction-based sales from business opportunities and clue to cooperative order placement, and create a one-stop sales business management platform. All pigs of the Group are sold by auction-based sale platform in an open, fair, and impartial environment, achieving tens of billions of sales for the Group.
Smart pig farming cloud platform	Based on Kingdee Skyland digital platform, we streamline the business process of the whole pig industry, provide the process tool and system, build a smart farming cloud platform under the multi-business model of self-operated farms and farms, and open up the whole process to help the process and standardized production of the pig industry, and build a highly competitive production management service platform.
Supplier management platform	We integrated the procurement business of our whole industry, and realized online production materials and non-production material procurement services, including sourcing, demand, bidding, contracts, orders, shipment and delivery, settlement and payment. According to the process change, we changed the traditional category management into process node management, streamlined and standardized the messy business process to greatly improve the work efficiency and the purchase volume without significant increase in number of personnel.

Smart coordination work platform

We have built a unified coordination work platform for the Group. Through internal business communication, document transfer, video conferencing, and customizable tools defined by the business departments, this platform facilitates data collection within departments and enables AI-driven automation for organizing and analyzing data. It effectively enhances office efficiency, ensures that information and data from business exchanges are not leaked, and forms a knowledge base that can be shared and passed on.



Commercial pig online sales platform information application

In recent years, we have made a lot of efforts in using information tools to improve management efficiency. For sale of commercial pigs, the original sale mode is mainly calling the customers by the salesmen to place orders, which is low-efficiency and has the risk of integrity. Since 2020, we have adjusted and optimized our sales model and sales process by developing the online auction-based sale platform to significantly improve sale efficiency and unit selling price, achieve transparent and traceable pig information release, customer bidding and order allocation processes, and effectively avoid the risk of integrity in the ordering process.

Smart Pig Farming Cloud Platform

We drive business process transformation by integrating AIoT technology, cloud computing, and big data technology. In this transformation, we prioritize changes in the BT (Business Technology) processes, followed by the application of IT tools. This approach ensures that IT tools are more closely aligned with business needs, enhancing their practicality and scientific validity. We streamline and standardize the business to improve the front-line work efficiency through process driving business and business driving people. This approach not only enhances the overall efficiency of frontline work but also shifts the workforce from transactional tasks to managerial roles. By surfacing anomalies within the processes, we can effectively address exceptional and non-standard business issues. Meanwhile, we have significantly improved the timeliness and accuracy of business processes through process and IT tools.

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A range of advanced technologies are used for our “smart pig farming cloud platform”, including image, video and acoustic feature recognition technology, smart sensors, Internet of Things, cloud computing and big data technology, to automate and facilitate all workflows in our production processes.

Feeding	Big data and AI technology are used to record the parity and day age of breeding sows, the growth stage and day age of finishing pigs, and automatically adjust the feeding procedures of pigs, so as to achieve scientific feeding, further improve the farrowing performance and breastfeeding ability of breeding sows, reduce the feed ratio of finishing pigs, improve daily gain, etc., and improve efficiency and reduce costs.
Mating	AI recognition technologies, such as big data, images, video and acoustic characteristics, and thermal imaging temperature measurement, are used to monitor the oestrous cycle of pigs, judge the oestrous index, achieve the best hybridization time, and effectively improve the fertility rate, farrowing rate, healthy litter size and other production indicators.
Epidemic prevention	We upgraded and optimized the biosecurity management platform, and strengthened process management, such as feed, materials, process-oriented and standard personnel access, and IT in whole process. Meanwhile, in terms of diseases, we monitor the health of pigs by tracking big data indicators (including the heart rate, respiratory rate and body temperature of pigs), so as to identify the pigs with health issue, and send an alarm to relevant technicians timely.

2.4 Continuous Improvement of Breeding Techniques

In recent years, relying on our strong research and development advantages, advanced genetic resources, and breeding system, we have undertaken more than 50 national, provincial and ministerial major scientific research projects, such as National 863 Program, 948 Major Special Program, achieved a number of scientific and technological achievements, and won many awards and recognition. Our key pig breeding indicators are at the international leading level, and we have become one of the largest export suppliers of high-quality parental breeding chickens in China.

In July 2024, according to the Announcement on 2023 Proposed Science and Technology Award of Sichuan issued by the Sichuan Provincial Science and Technology Department, Dekon won the Second Prize of Sichuan Science and Technology Progress Award with the Innovation and Application of Localization and Efficient Breeding Technology and System for Foreign Breeding Pigs, due to the outstanding performance in continuous deep cultivation and technological innovation application in the field of breeding pigs for more than ten years.

Optimization of Breeding Research and Development Platform

We continue to increase investment in research and development to enhance scientific and technological support and innovation capabilities, and have fairly mature agricultural technology research and development strength. In 2022, 2023 and 2024, our R&D investment amounted to RMB196.6 million, RMB219.11 million and RMB275.33 million, respectively, at an industry-leading level.

From 2022 to 2024, we participated in 9 national, provincial, ministerial and municipal scientific pig breeding research projects, including National Major Agricultural Science and Technology Research and Development Program, 2030 Major Science and Technology Program of Agricultural Biological Breeding of Science and Technology Innovation, Major Pig Science and Technology Projects of during 14th Five-Year Plan, and applied for more than 30 national patents for pig breeding. As the main research institute, we have integrated and referenced technical systems such as accurate new variety evaluation and molecular design breeding, and carried out large-scale application of these technical systems in many domestic pig farms, making positive contributions to the development of domestic agriculture and husbandry industry.

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Breeding resources	We have built the National Key Laboratory Innovation Base for Pig and Poultry Seeds Industry, the Southwest Key Laboratory for Pig Breeding and Expanding Propagation of the Ministry of Agriculture and Rural Affairs, the Key Laboratory for Poultry Genetics and Breeding of the Ministry of Agriculture, the Technology Innovation Center of Leading Enterprise the National Spark Plan, the National Pig Technology Innovation Center — Breeding Technology Research and Development Center, the Southwest Branch of National Pig Health Collaborative Innovation Center, 2 national core pig breeding farms, 1 national core broiler breeding farm, and 1 national Huiyang Beard Chicken breeding farm, and is honoured as a national livestock and poultry breeding formation enterprise.
R&D team	We have set up a research and development team consisting of more than 100 members, which is dedicated to the preservation and mining of poultry breeding resources, breeding of new poultry, precision nutrition technology, poultry health management, food safety control and production optimization.
Experimental platform	We have cooperated with research institutions to build a number of national and ministerial breeding platforms and key laboratories, including the National Pig Technology Innovation Center — Breeding Research and Development Center. We focus on the research and development of the following core technologies: breeding technology, nutrition and feed technology, disease control technology, food safety control technology, production technology research, development and optimization, optimal sales time node prediction technology, and data management and analysis technology.

Focusing on Breeding Improvement

Since 2019, we have built Neijiang pig core breeding population, and significantly improved the genetic quality of the main performance in the Neijiang pigs through advanced breeding methods, such as traditional breeding technology and genome selection, and continuous breeding: Compared with the data obtained upon the introduction, the time required for growth to 100kg was shortened by 16 days and the average litter size was increased by 0.53.

In the development and utilization of Neijiang pig genetic resources, we have established close cooperative relations with Sichuan Agricultural University, Sichuan Academy of Animal Husbandry Science and other scientific research institutions to comprehensively develop and efficiently use Neijiang pigs, and according to the breeding objectives, and improve the variety to ensure that the product can continue to meet the market demand and maintain long-term competitiveness.

Since the commencement of the new variety breeding project, we have carried out a lot of performance tests, including growth, breeding, slaughtering and meat quality. Compared with Neijiang pigs, the performance of the new variety has been significantly improved through scientific propagation and breeding program, and traditional BLUP breeding and genomic selection methods: In terms of growth performance, the growth rate is significantly improved, with decrease in the growth period by 40–50 days, and the corrected backfat thickness by 5–12mm; in terms of reproductive performance, litter size is significantly improved, with increase in the total litter size and live litter size by 2–4; in terms of slaughtering performance, carcass traits are significantly improved, with increase in lean meat rate by 10–14% and slaughtering rate by 4–6%. In terms of meat quality, the new variety still has the quality characteristics of Neijiang pigs.

III. GREEN LEADERSHIP, JOINTLY SAFEGUARDING A SUSTAINABLE FUTURE

The ecological environment provides the foundation for the survival and development of human society. Only by systematically, scientifically and comprehensively carrying out the construction of ecological environmental protection in economic development can we continuously cultivate ecological assets and ecological benefits, and provide continuous momentum for high-quality development. Following the national strategic direction, Dekon had incorporated “carbon peak and carbon neutrality” into our development plan. We adhered to the sustainable development path of ecology first, green and low-carbon, actively responded to the challenges of climate change, and committed to environmentally friendly operation methods. We also adopted professional environmental protection measures to improve our environmental performance. We contributed to building a community of all life on earth and creating a clean and beautiful world.

3.1 Strengthening Environmental Protection

We actively take preventive measures and strengthen environmental protection management and strive to minimize pollution and damage to the environment. We formulate relevant policies, guidelines and manuals, and standardize the environmental protection management system as well as the treatment process and procedures of pollutants and emissions. The annual environmental protection expenditure in 2024 was approximately RMB248 million, including engineering costs, reagent fee, electricity fee, labor cost, rent of land for waste abatement, expenses for abatement pipeline networks, maintenance and repair costs, cost of living materials for personal in environmental protection district, handling fee and other environmental protection-related expenses.

Environmental Management System

We strictly comply with the Law of People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Measures for Public Participation in Environmental Impact Assessment (《環境影響評價公眾參與辦法》), the Classified Management Catalogue for Environmental Impact Assessment of Construction Projects (《建設專案環境影響評價分類管理名錄》) and other relevant laws and regulations, and implement a comprehensive protection management system in all regions of the Group. We further clarify the environmental protection management goals at all levels, promote the standardization of the Group's environmental protection management, and improve the environmental protection management level of each region. We further enhance the quality of our environmental protection efforts, intensify our commitment to environmental protection, and maintain the Group's sustainable development, striving to build the Group's core competitiveness in environmental protection.

Environmental Risk Management

We attach great importance to and pay close attention to the identification and management of environmental-related risks, and effectively control the impact of production and operational activities on air, surface water, ground water and soil.

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Environmental Risk Management

Key impact on the environment	Supervision and Treatment
Impact on environment in terms of atmosphere	For pollutants such as ammonia (NH ₃) and hydrogen sulfide (H ₂ S) generated from pig houses, we have adopted measures including scientific diet formulation, EM (Effective Microorganisms) preparation, dry manure cleaning processes, spraying of deodorants, and greening around the factory area. These measures can effectively reduce pollutant emissions and ensure that the relevant concentrations remain below the reference limits specified in the Technical Guidelines for Environmental Impact Assessment — Atmospheric Environment. (《環境影響評價技術導則大氣環境》)
Impacts on environment in terms of surface water	According to the Technical Guidelines for Assessment of Land Elimination Capacity to Livestock and Poultry Wastes (《畜禽糞污土地承載力測算技術指南》), a land is designated for the construction of waste disposal facilities in the vicinity of each project. For the wastewater generated in the project, solid-liquid separation is conducted through the sewage treatment system, and the treated wastewater is used for greening the project site and irrigation of surrounding areas to realize the reuse of biogas slurry.
Impacts on environment in terms of solid wastes	For the pig manure generated in the project, following dry-wet separation and manual cleaning, pig manure will be transported to the third parties for use as raw materials of organic fertilisers; dead pigs will be treated through innocuous treatment with high-temperature biological fermentation and will be used as raw materials for the production of organic fertiliser.
Impacts on the environment in terms of ground water	We adopt source control, measures to prevent seepage in various areas, monitoring and test of underground water, and emergency response measures, to reduce the impact on underground water. We ensure the indicators meet Class III limit of groundwater in the Standard for Groundwater Quality (《地下水品質標準》) (GB/T14848-2017) through the monitoring and testing conducted by professional institutions.
Impacts on environment in terms of soil	We reduce the impact on soil in the region through reasonable deployment and various measures such as those applied for preventing seepage, monitoring and testing of soil quality by professional institutions, and assessment and monitoring of soil quality are carried out in accordance with the Soil Environmental Quality Risk Control Standard for Soil Contamination of Agricultural Land (《土壤環境品質農用地土壤污染風險管控標準》) (GB15618-2008).
Impacts on environment in terms of noise	Noises will be blocked or reduced by adopting low-noise facilities, conducting regular maintenance, establishing sound-deadening at pig houses and building walls, so as to ensure the noise at the boundary will meet the Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境雜訊排放標準》) and minimise the impact on the environment.

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Environmental Compliance Performance

We attach great importance to complying with laws and regulations related to environmental protection, including the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Regulations on Administration of Pollutant Discharge Permits (《排污許可管理條例》), the Catalogue of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) and the Regulations on the Prevention and Control of Pollution from Large-scale Farming of Livestock and Poultry (《畜禽規模養殖污染防治條例》) to ensure our business activities meet the environmental protection requirements.

We engage third-party institutions to prepare environmental impact reports for all of our construction projects in order to identify key environmental issues and environmental impacts, and incorporate comprehensive prevention measures and emergency plans for environmental risks. Approvals and administrative permits from local environmental protection authorities are obtained. By the end of 2024, we have completed and published the environmental impact assessment reports for all our construction projects. The content of environmental impact assessment includes: types and sources of pollution sources, the impact of changes in wastewater, exhaust gas, noise and solid waste on the surrounding environment, the feasibility and reliability of the pollution prevention and control measures taken, solid waste reuse and hazardous waste disposal plans, total pollutant discharge control plan and environmental risk prevention measures and emergency plan.

We also include family farms in our scope of environmental protection management and have implemented environmental protection guidance system for family farms. The system comprehensively manages the environmental impact of family farms in various aspects, including project site selection and layout, management of environmental protection equipment and facilities, daily environmental protection supervision, and environmental protection training and publicity. We designate safety and environmental protection specialists to inspect and guide family farms in relation to safety and environmental protection. If we identify any issues, we may undertake a range of actions including issuing notices of criticism, and ordering the relevant family farms to limit production and rectify the issues within a prescribed period.

3.2 Promoting Green Operation

We attach great importance to energy conservation and environmental protection. We always adhere to the concept of green and low-carbon in the production process and continue to save energy and increase efficiency. We also continuously improve the efficiency of energy and resource use, integrate energy conservation and carbon reduction measures into all levels of production and operation, and accelerate the development of circular economy.

Energy Usage

The growth of our energy consumption mainly comes from the use of electricity and natural gas, while the use of fossil energy such as diesel, gasoline and coal remained stable or showed a downward trend. We plan to achieve a decrease in energy consumption intensity (energy consumption per unit of products produced) by 2.8% from 2022 to 2025. To achieve this target, the Group will continue to improve its energy mix, promote synchronization to the grid with methane-fired generation and accelerate the development of photovoltaic power generation projects in breeding farms.

Innovation in heat exchange system	Innovatively introducing heat exchange technology, the Company utilizes exhaust gases from pig houses to preheat incoming fresh air. This not only enhances indoor air quality but also provides a healthier growth environment for pigs. When pig density and weight are within reasonable ranges, this technology significantly reduces the need for external heating, effectively lowering energy consumption. In 2024, the Company will conduct pilot heat exchange transformations in Keyou of the northern region. Following the transformation of a pilot farm, gas consumption was reduced by over 50%.
Upgrade of precision ventilation and environmental control system	Deploy efficient and precise ventilation systems throughout the pigsty, equipped with advanced air filtration devices. The system can precisely regulate air circulation in pigsties, effectively reducing the accumulation of ammonia and other harmful gasses, while efficiently removing bacteria and odors from the air, creating an excellent environment for pigsties. By optimizing ventilation strategies, we have significantly reduced the energy consumption of fans, achieving substantial energy savings.
Photovoltaic power generation system layout	Fully exploit the rooftop resources of each site and advance the construction of photovoltaic power generation projects. By installing photovoltaic panels, abundant solar energy is converted into clean electricity, providing a stable power supply for daily production and operations, while reducing the consumption cost of traditional energy and increasing energy self-sufficiency. In 2024, the installation and grid connection of four photovoltaic projects covering feed mills, food factories, pig breeding farms, and family farms have been completed, and several specific project contracts have been signed.



Adopting multiple measures to continuously promote energy saving and consumption reduction

In 2024, the northern regional company established a project team to promote measures such as polyurethane spray insulation for buildings, control of environmental regulation, reduction of living area temperature, and switching from natural gas heating to heat exchange. These efforts have led to the development of a comprehensive set of management measures to reduce energy consumption at the breeding pig farm. The energy consumption cost per weaned piglet has decreased by over 40% compared to previous years, resulting in increased production capacity and reduced energy consumption.



Caption: Energy-saving and consumption-reducing equipment

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Indicators	Unit	2024
Direct energy usage		
Natural gas	ten thousand cubic metres	477.29
Liquefied petroleum gas	tonnes	28.00
Diesel	tonnes	887.10
Gasoline	tonnes	23.08
Coal fuel	tonnes	655.07
Indirect energy usage		
Electricity consumption	MWh	265,759.12
Total energy consumption of intensive farming	MWh	333,924.67
Energy consumption density of intensive farming	MWh/RMB million	130.65

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered energy consumption statistics for all of them.

Waste management

The wastes generated during our operation are mainly manure generated in production, as well as the remains of sick and dead livestock and poultry. We strictly follows the Discharge Standards of Pollutants for Livestock and Poultry Breeding Industry (《畜禽養殖業污染物排放標準》) and other local regulations in the discharge of waste. We actively implement the “planting and farming cycle model” (種養循環模式) and resource utilisation.

We achieve resources utilisation, reduction and ecological disposal of livestock and poultry manure by introducing the advanced biosafety disposal facilities of waste. The model includes, upon meeting the standard, using the purified tail water from animal waste for farmland irrigation; using the manure residue after composting, fermentation and biosafety disposal as fertiliser or raw material of organic fertiliser; using harmless treatment equipment for the biosecurity disposal of sick and dead pigs to be used upon treatment, together with their wastes, as raw materials of organic fertilizer; and adopting the operation process of organic fertilizer fermentation tank for sick and dead chickens to be used upon treatment as raw materials for the production of organic fertilizer.

We have set “100% utilization of waste” as the waste management goal, transporting harmlessly treated discharge and dry manure from the sewage treatment system to organic fertiliser factories as raw materials. Alternatively, we collaborate with farmers to use these harmlessly disposed products as base fertilisers for planting, contributing to the development of the circular economy.

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Due to the nature of our business, we do not involve the use of packaging materials in our product and service processes.

Classification	Indicator	Unit	2023	2024
Non-hazardous waste	Livestock and poultry manure	tonnes	134,662	176,780
	Domestic waste	tonnes	1,079	1,147
	Non-hazardous waste emission intensity	tonnes/RMB million	/	69.6
Hazardous waste	Medical waste	tonnes	/	143
	Hazardous waste emission intensity	tonnes	/	0.056

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered waste discharge statistics for all of them.
- (3) Medical waste primarily consists of materials used in animal vaccines, disease prevention and control, and breeding research. The Company has established strict management processes to ensure the proper and safe disposal of medical waste.

Emissions Management

Our waste gas emissions, mainly being compound containing sulphur, nitrogen and oxygen and hydrocarbons, primarily come from the malodorous gases generated from pig houses, composting sites and sludge tanks. The Group strictly implements the "Regulations on the Prevention and Control of Pollution from Large-scale Farming of Livestock and Poultry" (《畜禽規模養殖污染防治條例》), the "Discharge Standards of Pollutants for Livestock and Poultry Breeding Industry" (《畜禽養殖業污染物排放標準》), "Odour Pollutant Discharge Standard" (《惡臭污染物排放標準》) and other relevant pollutant emission standards and local regulations, and optimise relevant processes and procedures to continuously improve the management of exhaust pollutants and promote the reduction or intensity reduction of exhaust emissions.

Our management objective for emissions is to effectively reduce odor generation and discharge through a combination of source reduction, process control, and end treatment. This approach minimizes the impact on the surrounding environment and residents' lives, strictly adheres to the project's environmental impact assessment requirements, and ensures the sustainable development of the Group. By controlling the nutritional structure of feed and stocking density, cleaning and ventilating in a timely manner, and spraying deodorants etc., we are able to reduce waste gas emission and the impact of odour on the environment.

Indicator	Unit	2024
SO ₂ emissions	kg	47.73
Nitrogen oxide emissions	kg	3,006.91
Smoke and dust emissions	kg	381.83
Total air emissions	kg	3,436.47
Total air emissions intensity	kg/RMB million	1.34

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Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered pollutant emission statistics for all of them.

Water Resource Management

Our water resources are mainly consumed as drinking water for animals, water for feed processing, water for washing livestock and poultry pens as well as water consumed by employees in factory areas. We have installed individual water meters in each key area to monitor water usage and have taken various water-saving measures starting at the source. All breeding farms are equipped with diversion system that segregates rainwater from wastewater and their sewage treatment system. We use drinking water facilities with water-saving functions to avoid pigs wasting water, adopt high-pressure washing systems at pens to reduce wastewater generation, and enable the recycling of water resources by reusing purified wastewater for wastewater and waste gas treatment process.

We have established specific water discharge standards for pig drinking and pigsty flushing based on scientific measurement. These standards are tailored to different pig categories, pigsty types, seasons, and regional differences between the north and south, continuously improving our water management.

Indicator	Unit	2024
Water consumption in intensive farming	m ³	12,709,708
Water consumption density in intensive farming	m ³ /RMB million	4,972.69

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered water consumption statistics for all of them.
- (3) The major sources of our water supply are municipal tap water, surface water and groundwater. In 2024, we did not receive any administrative penalties related to water supply.

For the wastewater generated in the production process, we have established a water quality testing and reporting system to effectively monitor the real-time status of sewage treatment at each site. To ensure normal and stable operation of the sewage treatment system, we regularly test water samples from faecal sewage and the effluent from the sewage system, collect and analyse the data, monitor the real-time status of sewage treatment and make timely adjustments and rectifications. We have full monitoring coverage of all environmental protection zones under the Group and carry out video surveillance of on-site environmental protection treatment to enable real-time monitoring.

In terms of the environmental impact management of biogas slurry irrigation, before returning biogas slurry to agricultural fields (i.e., tail water irrigation), we analyse the local environmental conditions, assess the types of local crops and the area of land consumption, and ensure the biogas slurry meets the strict requirements under the “Discharge Standards of Pollutants for Livestock and Poultry Breeding Industry” (《畜禽養殖業污染物排放標準》), “Farmland Irrigation Water Quality Standards” (《農田灌溉水質標準》), etc. and will not affect the groundwater in irrigation areas. We have also set up monitoring points for groundwater, surface water, and soil around the project and regularly observe the environmental quality around the sites in order to ensure that the operation of biogas slurry returning to the field will not pollute the surrounding environment. We also assess the effectiveness of biogas slurry fertiliser on soil fertility and agricultural planting by analysing the soil nutrient changes.

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Indicator	Unit	2023	2024
Waste water discharge volume	m ³	400,115	588,536
COD emissions	tonnes	35.36	58.15
Ammonia nitrogen emissions	tonnes	4.46	3.50

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered waste water discharge statistics for all of them.

Measures and actions to reduce waste water discharge

The Company has established a water efficiency target, which requires us to strictly comply with the discharged water quality standard imposed by environmental impact assessments for all farms and the Group's environmental operation standards to ensure environmental compliance or resource utilization without environmental pollution. To achieve this objective, we have implemented the following measures.

Measures	Contents
Water saving at source in production area	<ul style="list-style-type: none"> Optimize drinking water system Improve the cleaning process Implement water consumption standards
Environmental process improvement	<ul style="list-style-type: none"> Install supporting tail water treatment facilities, further purify tail water through processes such as sedimentation, filtration, aeration, and artificial wetlands, reducing the pollutant content in waste water.
Enhancement of environmental operation	<ul style="list-style-type: none"> Intelligent environmental monitoring system: utilize IoT and smart sensors to monitor indicators such as water quality and air quality in real-time on farms, optimizing resource utilization through data analysis. Precise resource management: precisely control feed and water source management through intelligent systems to reduce waste and optimize energy use. Data analysis and early warning: utilize basic data analysis to identify potential risks and trends, and take measures in advance to prevent environmental pollution.
Personnel skill training and management enhancement	<ul style="list-style-type: none"> Conduct training on breeding technology, disease prevention, and environmental protection to enhance employees' professional skills. Organize environmental protection training for all employees on the route at least three times a month. Conduct special training and management experience sharing sessions, strengthen employee training on safety production and environmental protection awareness, and ensure they master safe operation procedures and environmental requirements. Additionally, a training effectiveness evaluation system was established to assess employees' learning outcomes through exams and assessments, and to adjust training content based on feedback.

3.3 Promoting the Planting and Farming Cycle

We advocate the harmonic unity of economic, ecological and social benefits, and continue to create an environmentally friendly and sustainable farming model. Through collectively leasing the idle lands from villagers in the nearby villages and towns, we provide such lands to the villagers in the area to conduct centralized planting. We also provide biogas slurry to villagers to jointly explore and build an ecological circular agricultural technology model combining planting and farming. This allows us to achieve a virtuous planting and farming ecological cycle of breeding pigs, planting rice with manure, and returning manure to the field, in order to reduce the impact on the environment while developing responsible and sustainable industry practices.

As of the end of 2024, we have established standard demonstration bases for farming cycle in Gaoxian, Sichuan, Hechuan, Chongqing, and Sihong, Jiangsu, to conduct research and promotion of manure return-to-field utilization technology for different crops in mountainous, hilly, and plain areas. On the one hand, based on experimental research and development, the Company made the tests to use manure for soil improvement, carried out long-term positioning monitoring for agricultural ecological environment, and actively established a technical standards for crop soil improvement and use of manure in soil, and a technical mode for planting and breeding cycle; on the other hand, aiming at technology application, the Company provided more than 120 technical trainings for agricultural production throughout the year to standardize the agricultural operation of front-line personnel, and promoted the application of the technical standards for use of manure in soil in 3,000 mu fields of Sihong Base and Hechuan Base. In the meantime, we have responded to the national policy on accelerating the reduction of chemical fertiliser and pesticide use, and improving their efficiency, as well as establishing a mechanism for reducing chemical fertilisers and pesticides. We have preliminarily achieved the local utilization of livestock manure, reducing the annual application of chemical fertilisers by about 30 tons, digesting over 5,700 tons of pig manure and 250,000 cubic meters of biogas liquid. The soil nutrients have been improved to a medium level, and the crop yield per mu has increased by about 30 to 40 kilograms, achieving the goal of resource utilization.

Meanwhile, we select districts and counties that are suitable for the combination of planting and farming to implement the “Hundred Villages and Million Pigs” project, which serves to break down the barriers between planting and farming, and promote the planting of green vegetables and fruits in areas where family farms are concentrated.

3.4 Addressing Climate Change

We actively practise the concept of sustainable development and pay close attention to relevant national policies and action plans in response to climate change. We actively evaluate the risks and opportunities brought by climate change to the Company’s business, carry out greenhouse gas emissions management and promote greenhouse gas emissions reduction. We contribute to cope with climate change and help achieve carbon peak and carbon neutrality.

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Climate Risks and Opportunities

We have made an assessment with reference to the recommendations given by the Task Force on Climate-Related Financial Disclosures (TCFD), and has actively identified and assessed the potential impacts of factors associated with climate on current and future periods, which will allow us to take comprehensive actions and measures to enhance our resilience against climate risks.

Types	Climate factors	Descriptions	Duration/extent of impact	Risk mitigation measures
Physical risk	Extreme weather events	Increase in frequency of disastrous weather such as typhoon, rainstorms, snowstorms and drought may cause a disruption of our operation and secondary disasters that result in various incidents such as personal safety and environment pollution.	Medium-High	We pay close attention to early warning of climate events, and prepare emergency plans and specific operating procedures for extreme climate events. We also conduct routine trainings and emergency drills
	Medium and long-term natural disasters	Medium- and long- term natural disasters such as movements in rainfall and higher average temperature may have impacts on our business continuity and business costs or expenses. For example, control on temperature of a farming unit may cause a change in energy costs or expenses.	Long term/Medium	We track the Survey of Agro-climatic Resources and Agro-climatic zones of the PRC, and assess the local climate conditions and the foundation of agro-planting in planning and development of our new projects.
Transformation risk	Demand for energy management and control	Any regional power outage or limiting electricity measures may result in a disruption of our operation or higher investment in transformation of energy facilities and maintaining costs.	Short-term/High	We fully utilise biogas resources around the sites and explore opportunities of developing photovoltaic power generation projects in the farming zones.
	Changes in market demand	As the concept of green consumption become popular, some consumers may increase their demand for ingredients such as plant-based protein, which may have an effect on the sales of our meat products.	Long-term/Low	We have been expanding our high-quality food processing business and enhance the layout of our whole food industry chain.

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We also pay close attention to the potential opportunities that may be brought about by climate change, including: promoting the reduction of operating costs through measures such as increasing the proportion of clean energy and improving energy efficiency; the impact of climate change on the growing of agricultural products in the northern region, etc.; and emissions reduction and carbon sequestration promoted by government authorities may help better utilisation of the waste from livestock and poultry.

Greenhouse Gas Emission Management

With reference to the Greenhouse Gas Protocol, we classified its greenhouse gas emissions into the following scopes:

- For direct greenhouse gas emissions (Scope 1), the emissions are mainly generated from burning and emissions of fossil fuels such as gasoline, diesel and natural gas for our consumption. We have been striving to fully utilise the biogas generated from anaerobic reaction during wastewater treatment of livestock manures and wastewater, so as to reduce the use of fossil fuels.
- For indirect greenhouse gas emissions (Scope 2), the emissions are mainly generated from the consumption of power acquired from external parties. We attach great importance to energy use efficiency, and have fully identified movements in energy consumption and abnormal fluctuations through statistics and monitoring of energy consumption, thereby managing power consumption and the corresponding indirect greenhouse gas emissions in a reasonable manner.
- For other indirect greenhouse gas emissions (Scope 3), the emissions are mainly generated from employee travel, upstream transportation and delivery and downstream transportation and delivery. Due to the difficulty of measurement, we have not made statistics on Scope 3 emissions. We will consider to make statistics and implement control of greenhouse gas emissions (Scope 3) in due course in the future.

Indicators	Unit	2024
Greenhouse gas emissions (Scope 1)	tonnes of CO ₂ equivalent	15,353
Greenhouse gas emissions (Scope 2)	tonnes of CO ₂ equivalent	142,606
Intensive farming — total greenhouse gas emissions	tonnes of CO ₂ equivalent	157,959
Intensive farming — greenhouse gas emission intensity	tonnes of CO ₂ equivalent/RMB million	61.80

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered greenhouse gas emission for all of them.

3.5 Safeguarding Animal Welfare

We place emphasis on animal welfare and are committed to provide a reasonable and humane treatment to animals during our production, from farm design to actual operations. We employ a range of measures to ensure the healthy growth of animals in comfortable environments.

Understanding of animal welfare

Moral	Animals are sentient beings, and breeding companies are obligated to provide them with suitable living conditions and avoid unnecessary suffering and injury to show respect for life and basic moral care. In the long term, the companies can enhance their social image and reputation, show their social responsibility and humanistic care, and win the recognition of consumers and society by paying attention to animal welfare.
Laws and regulations	Domestic and foreign laws and regulations on animal welfare are increasingly perfected, and the breeding companies must comply with the relevant provisions, otherwise they will face legal risks and economic losses. With the increase of the consumers' attention to the animal welfare, the market demand for the products meeting animal welfare standards is gradually increasing. Attention to animal welfare is conducive to the breeding companies to better meet market demand and improve product competitiveness.
Sustainable development	Attention to animal welfare is essential to the sustainable development of the farming industry, and conducive to the protection of animal resources and ecological environment, and the harmonious coexistence of the farming industry and the natural environment. It is more likely for the breeding companies to attract socially responsible investors and partners, and achieve their long-term stable development of enterprises by paying attention to the animal welfare.
Production	Good animal welfare preconditions suitable breeding environment, reasonable diet and sufficient activity space, and conducive to maintain the animals a good physiological and psychological state, thereby improving immunity, preventing the diseases and reducing breeding costs. In a comfortable and stress-free state, the animals tend to have higher fertility. For example, under good welfare conditions, laying hens have more stable egg yield, and the pigs have a higher growth rate and higher meat quality so that the breeding companies can achieve higher economic benefits

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Animal welfare principle

Environmental equipment	<ul style="list-style-type: none">• Reasonable spatial arrangement: based on the species and number of animals, enough activity space is provided so that the animals can turn, lie down and stretch their limbs freely.• Conformable environmental conditions: the environmental conditions are properly controlled, such as temperature, humidity, light and ventilation to provide a comfortable living environment for the animals and reduce stress reaction. For example, measures are taken for heatstroke prevention in summer and cold protection in winter.• Well-equipped facilities: necessary habitat, shelter and sanitation facilities, such as reasonable troughs, sinks, birthing beds, etc. are provided in the animal house. Feces and sewage are removed regularly to maintain clean and hygienic environment.
Feed and water	<ul style="list-style-type: none">• Balanced nutrition: According to the nutritional needs of the animals at different growth stages, the feed with comprehensive and balanced with nutrition is provided to meet the needs of the animals for protein, vitamins, minerals and other nutrients to promote the healthy growth of animals.• Clean water: it is made sure that animals can drink clean and sanitary water at any time, and drinking water equipment is regularly checked and maintained to prevent water pollution and ensure the water intake of the animals.
Health management	<ul style="list-style-type: none">• Disease prevention and control: a sound disease prevention and control system has been established, vaccination and disease monitoring are carried out regularly, and breeding environment is disinfected to prevent the occurrence and spread of diseases.• Timely treatment: a professional veterinarian or a veterinary institution is employed to timely diagnose and treat the animals when they are sick or injured, to reduce the pain of the animal.
Production	<ul style="list-style-type: none">• Reasonable breeding density: according to the growth characteristics and breeding standards of the animals, the breeding density is reasonably controlled to avoid overcrowding of animals and reduce fighting and stress among the animals.• Gentle management: Breeding staff should receive animal welfare training, and use a gentle and scientific method for daily management, and avoid roughly driving and whipping the animals.
Transport and slaughtering	<ul style="list-style-type: none">• Transport management: During transporting the animals, suitable transport means and conditions, and enough space are provided to avoid excessive squeezing and collision, water and food are provided regularly, and transport stress is reduced.• Humane slaughtering: humane slaughtering methods are used, such as carbon dioxide stunning, to ensure the death of the animals die in a painless state, and avoid unnecessary fear and pain during slaughtering.

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Animal welfare measure

Environmental	Scientific design and construction of breeding farms, increased ventilation and temperature control measures, providing high-quality air for animals, preventing animals from being disturbed by mosquitoes and flies, preventing animals from cold and heatstroke to improve the comfort of the animals.
Health	For different strains of pigs and chicken, we reasonably formulate diets that meet their nutritional needs at different growth stages, ensure sufficient and clean drinking water supply and ensure healthy growth of animals. We have good medical equipment for animals, so that sick pigs can be diagnosed and treated in a timely manner without excessive use of drugs, and the pain caused by diseases can be shortened as much as possible.
Behaviour	Our staff and farm owners are strictly forbidden from treating the pigs roughly.
Psychological	Pig houses are equipped with facilities such as chain balls, tires and soil analogues for pigs to play, and we provide appropriate lighting and light music to make pigs feel comfortable.
Slaughtering	At the design stage of slaughterhouses, we have already fully considered the animal welfare of slaughtered pigs, and use methods such as carbon dioxide stunning and controlling humidity and temperature for humane slaughtering to reduce the pain suffered by animals during the slaughtering process.

3.6 Biodiversity Conservation

As a leader in the agricultural field, Dekon has always been committed to promoting ecological sustainability while rapidly developing its business. We firmly believe that “clear water and green mountains are invaluable assets”, and we must hold the ecological bottom line in the process of development. To this end, we have taken a series of practical protection measures during site selection, planning, design and construction of farms, feed mills and food processing plants to ensure our balanced development in ecological, economic and social responsibilities.

While promoting efficient production, we actively participate in and support local ecological protection activities and raise public awareness towards ecological protection through cooperation with local communities. We always follow the sustainable development principle, integrate environmental protection into all aspects of planning, design and construction, and are committed to improving the animal husbandry production efficiency through technological innovation and environmental protection measures. We strive to achieve safety, quality, ecology and green goals, assisting in achieving double harmony of economic benefit and ecological environment. In the future, Dekon will continue to innovate and make efforts to promote the intelligent upgrading of green agriculture, and make greater contributions to biodiversity protection and rational use of resources.

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Site selection and planning stage

Site selection principle	Evaluation of ecologically sensitive areas	During site selection, factors, such as nature reserves and ecological red lines, are fully considered to avoid selecting the ecologically sensitive areas
	Compliance with livestock and poultry breeding specification	A sound livestock and poultry breeding policies have been established to ensure that new, reconstruction and extension projects comply with the Livestock Development Plan and the Livestock and Poultry Pollution Prevention Plan. The project employer is required by these policies to complete environmental impact assessments and take appropriate measures to protect biodiversity and ecosystems
	Environmental protection measures	In our internal systems, all livestock farms are required to prepare detailed environmental protection plans, including sewage treatment, odour control and noise management, to ensure that there is no negative impact on the surrounding ecological environment.
	Mechanism for ecological compensation	Ecological compensation policies are implemented, and corresponding compensation measures are taken for the areas involving with the biodiversity protection. For example, financial support is provided for ecological restoration and biodiversity restoration in affected areas
	Access to transportation and resources	An area with convenient transportation, sufficient raw materials and energy is selected to reduce transportation costs and carbon emissions
Regional planning	Local industry development needs	We make the plans based on local industrial structure, resource advantages and development goals to give full play to regional industrial chain advantages

Individual design

Livestock farm design	Environmentally friendly building materials	Low-energy and environmentally friendly building materials are selected to reduce the environmental impact of the construction process.
	Precision ventilation system	An efficient and precise ventilation system is designed for the pig house to maintain good air circulation and reduce the accumulation of ammonia and other harmful gases. Meanwhile, an air filter, which can effectively remove bacteria and odour in the air, is provided to maintain a good environment in the pig house.

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	Sterilization and deodorization technology	A deodorization system is set up outside the pigsty, using a combined process of water spraying and deodorizer spraying to remove odors.
	Photovoltaic power generation system	Photovoltaic panels are installed on the roof of the pig house to convert solar energy into power energy which is used for daily power consumption in the pig house. Through this design, the consumption of traditional energy can be reduced, and the energy self-sufficiency rate can be increased.
Feed mill design	High performance production equipment	Advanced feed processing technology and equipment are used to ensure efficient feed production, and reduce energy consumption and emissions.
	Waste management system	During feed production, processes, such waste management, recycling, degradation, and pollutant emission control, are properly completed.
Food processing plant design	Food safety and quality control	The food processing processes meeting national and international standards are designed to ensure that the products meet the safety and health requirements in each production process.
	Intelligence and automation	Intelligent equipment is used to improve production efficiency, reduce manual intervention, and improve process controllability and safety.
<i>Construction</i>		
Green construction	Environment monitoring during construction	The impact of construction on surrounding environment and its changes are monitored in real time by setting special environmental monitoring points to ensure that the construction process meets environmental protection standards.
	Waste management and resource recycling	A waste sorting and recycling system is established to reduce the wastes and fully recycle valuable resource in the construction process
Energy conservation and emission reduction	Use of renewable energy	Renewable energy technologies, such as solar and wind energy, are actively used for new projects to reduce energy consumption and carbon emissions.
	Selection of environmentally friendly construction equipment	Priority is given to low-noise, low-emission construction machinery and equipment to reduce environmental disturbance.

IV. PEOPLE-ORIENTED, GROWING TOGETHER WITH EMPLOYEES

We firmly believe that employees play an important role in the long-term development of the Company. We are committed to effectively safeguarding employees' rights and interests in areas such as recruitment, compensation and benefits, and communication, creating a corporate culture that respects equality and embraces diversity, and promoting the joint development of employees and the Company.

4.1 Respect and Protect Employees

We strictly comply with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Labour Union Law of the People's Republic of China (《中華人民共和國工會法》) and other laws and regulations. The Company has established, formulated, and improved systems related to labor remuneration, working hours, rest and vacation, insurance benefits, corporate pension plans, employee training, labor discipline, and other relevant policies in accordance with the law. Our Recruitment Management Regulations (《招聘管理辦法》) expressly stipulates that it is prohibited to hire personnel under the age of 18. The true age of employees shall be verified through information verification during the on-boarding process; forced labour and any form of discrimination (including but not limited to gender, ethnicity and religion factors) are prohibited. In the recruitment process, we adhere to the principle of gender equality, prohibits discrimination against women, focus on the work ability of candidates, rather than factors such as gender, age, education background, and widely accepts school recruitment and social recruitment to recruit employees from different schools and with different educational backgrounds, to enhance the diversity of talents.

We have established a register of employees and maintained personnel archives of all employees, with detailed records of age verification upon official hiring, which are reviewed on a regular basis to ensure that no child labor is employed. The Company takes a zero-tolerance attitude towards any form of child labor and forced labor. Where any illegal employment is identified, we immediately report to the relevant agencies and terminate the employment relationship with such persons, while reviewing and improving our internal management process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	Unit	2024
Total number of employees		
Contract employees	Persons	10,475
Trainees	Persons	549
Others ^{Note 1}	Persons	368
Employees by gender^{Note 2}		
Male employees	Persons	7,425
Female employees	Persons	3,050
Employees by age		
Employees aged 18–29	%	42.0
Employees aged 30–50	%	50.0
Employees aged 51 and above	%	8.0
Employees by education degree		
Proportion of employees with associate degree	%	33.3
Proportion of employees with bachelor's degree	%	19.1
Proportion of employees with master's degree	%	2.4
Employees by region		
Proportion of employees in Sichuan and Chongqing ^{Note 3}	%	51
Proportion of employees in other regions	%	49
Number of new employees during the reporting period^{Note 2}	Persons	4,694
Employee turnover rate		
Turnover rate of male employees	%	19.48
Turnover rate of female employees	%	20.72
Turnover rate of employees aged 18–29	%	24.60
Turnover rate of employees aged 30–50	%	17.03
Turnover rate of employees aged 51 and above	%	8.86
Turnover rate of senior management	%	0
Turnover rate of mid-level management	%	4.64
Turnover rate of other employees	%	20.38
Turnover rate of employees in Sichuan and Chongqing	%	18.97
Turnover rate of employees in other regions	%	20.73

Notes:

- Others include labour service contractors, contract workers and dispatched labours.
- Based on contract employees.
- Number of employees in Sichuan and Chongqing includes employees of the headquarters of the Company and the Company's subsidiaries located in Sichuan and Chongqing.

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Remuneration and Benefits

Employee remuneration package includes salary, bonus and allowance. We participate in social insurance schemes operated by relevant local government authorities and maintain mandatory pension contribution schemes, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for employees. We also pay housing provident fund contributions for our employees. We also purchased supplementary accidental injury insurance for employees, which contains critical illness insurance with an insured amount of RMB100,000. For disabled employees, we arrange them in relatively easy positions such as cleaning, security, and market research based on their individual characteristics.

We have formulated the “Dekon Zong Ren Zi [2020] No. 27 Staff Welfare System (Trial Implementation)” (《德康總人字〔2020〕27號員工福利制度(試運行)》), and established an employee incentive system covering the short, medium and long term, providing annual profit-sharing plans, stock incentive plans, etc., to maximise the initiative, enthusiasm and creativity of all employees. At the same time, we organised staff team building activities, cultural and sports activities in various places, and built basketball courts, billiards, gyms, KTV and other facilities in the field area for employees’ workout and entertainment. We encourage employees to focus on work-life balance.

Staff Communication

We have established a comprehensive complaint and whistle-blowing channel, for anyone who finds any violations of our employment practice to report the same through various methods such as telephone and email. We will also assess the compliance of employment policies through daily supervision by labour unions, regular audit inspections and human resources inspections. We conducted an anonymous survey on organisational climate every July through the system, to understand and analyse the various needs of employees by asking 38 questions in eight major aspects, and urge the relevant group companies to rectify the confirmed problems.

Employee Grievance Channels

- DingTalk, WeChat and OA to reach corresponding leaders
- Audit hotline: 028-81512102
- Lodging complaints at the headquarters in person
- By post
- Email: dekangsj@dekanggroup.com

4.2 Talent Training and Development

We attach great importance to the sustainable development of employees. We improve the training and promotion mechanism, and provide multi-dimensional support for employees at different career stages to help realise their career dreams and achieve extraordinary life.

We attach great importance to the career development of employees. We have set up a dual-channel development path of management and professionalism, and strengthened the construction of talent echelon to promote the succession plan of cadres at all levels so as to maximise the initiative, enthusiasm and creativity of all employees. In 2024, 1,730 staff were promoted (including job and rank promotion).

Talent Development Path

Management Path	The preliminary opinions are mainly given through candidates answering questions, nomination and other methods, and then according to the division of powers and responsibilities, the appointment will be granted after the AT resolution at the corresponding level (the main responsibilities of the AT organisation are discussing the people and incentives). After the probation period of 3 months, the salary may be adjusted.
Professional Path	Matching qualifications helps staff to grow. When the qualification is met, the staff can be promoted to a suitable position through answering questions, examinations, nomination and other methods. After promotion, there will be a probation period of 3 months, and the salary can be adjusted after the probation period (currently mainly implemented by the pig business department). Other business divisions and headquarters of the Group are mainly conducted through competitive recruitment.
Cadre Succession	We will increase efforts in echelon building, take the succession plan of cadres as the lead and promote the succession plan of cadres at all levels. Qualified reserve echelons are required to reach at least 1:2. At the same time, through job rotation and burden-bearing, we promote the long-and Z-shaped cadre selection and development path, and cultivate the compound ability of cadres. Eventually, we can also reduce the organisation's dependence on capable staff and strengthen the safety of the Company's operations.

We also place great importance on talent training. We provide continuing education and training programmes to employees to improve their skills and develop their potential in order to help them achieve career development and hold key positions in the future. As of the end of 2024, we had sponsored over 224 visits for our employees to participate in exchanges of technology and experience related to agriculture and animal husbandry.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Training system

Formulate training system and process	The Company has systems such as the Internal Trainer System (《內訓師制度》), the Training Management Standards (《培訓管理標準》) and the Dekon External Learning Application (《德康外派學習申請》), as well as supporting online forms and processes.
Formulate training plans	In November each year, the training institute will formulate targeted training plans after interviews with the employing departments, and plan various training programmes and budget for the coming year in advance. For example, for middle and senior management, we offer training programs such as Saturday management study sessions, young cadre training, and senior management training.
Development series of exclusive courses	A series of exclusive courses such as Corporate Culture, General System, Professional Literacy, Production Skills, Professional Knowledge and General Management Ability were developed for different training programmes for all levels such as newcomers, lower cadres, middle cadres and senior cadres through a combination of internal development + domestic and foreign excellent external brain + external courses, forming a unique 512 training system of Dekon, and a series of classic training programmes such as “Coach Workshop”, “Field Leader Training Camp”, “General Manager Training Camp” and “Star Gathering” were carried out.
Configured a dedicated training team	Appointing full-time training teachers to be responsible for the overall operation of training projects, building an internal trainer system to ensure the qualifications of teaching staff, and large-scale projects will be assisted by teacher temporarily assigned from branches to carry out specific training projects.
Dedicated personnel to track training status	Dedicated personnel regularly track the implementation of each training project, supervise the implementation of various training projects and follow up the achievement of various online learning objectives.



Cultivating special talents and building a sophisticated veterinary team

We took the health protection and improvement of the pigs as our strategic goal. We established a three-level veterinary system, clarified the key professional skills and general requirements of veterinary path, and provided the growth direction for the veterinary team staff by improving relevant qualifications, job descriptions, performance appraisal, salary standards and personnel evaluation mechanisms. Based on the competency requirements of veterinarians at different levels, we have systematically and comprehensively designed a talent training model to effectively ensure that veterinarians are proficient in skills through a combination of theory and practice, and cultivate veterinarians of technical management through a combination of technical and quality capability training.

- **Professional training:** We carried out a series of courses on the prevention and control of “African swine fever”, systematic prevention and control of diarrhoea and immunisation, basic knowledge of blue-ear disease, prevention and control of common bacterial diseases, theory and practice of clinical medication, interpretation of monitoring plans and testing reports, and theoretical basic training on biosecurity.
- **Practical exercises:** Carry out on-site teaching training on the prevention of “African swine fever” drills and abnormal treatment, the prevention, control and treatment of blue-ear disease, the abnormal treatment of diarrhoea, the treatment of key bacterial diseases and other major diseases.
- **Internal sharing:** Make full use of industry resources and expert resources to flexibly formulate systematic courses based on the needs of veterinary positions and development direction; Set up cascade training, promote level by level, and mobilise the learning enthusiasm of veterinarians; Organise internal training and thematic self-study for veterinarians to encourage team members to share knowledge and excellent resource teams.

Relying on this training mechanism, we have established a team of young veterinarians who are equipped with advanced pig health management concepts and are technically competent and willing to deeply cultivate the agricultural and livestock industry. As of the end of 2024, we have trained more than 60 elite members in the animal husbandry industry, including 41 master's degree holders, 2 senior veterinarians, 12 intermediate veterinarians and 27 technical cadres.



Caption: Dekon Employee Training



Comprehensive investigation of Denmark's pig farming, planting, and food whole industrial chain

Denmark's pig farming level ranks among the top in the world, and the pig farming industry is one of its important pillar industries. We actively engage in exchanges and cooperation with Danish enterprises. By learning from Denmark's advanced experiences, we focus on expanding the development approach of appropriately scaled, integrated farming and crop-livestock circular agriculture, steadily enhancing our management capabilities.



School training —
qualification certification, green certificate



Denmark farm breeding area —
integrated breeding and rearing facility



visiting the Denmark farm planting area
— liquid fertiliser application
with manure spreaders



Visiting the Denmark slaughter and
processing operations

Adhering to the spirit of “complementary advantages, common development, mutual benefit and honest cooperation”, we have established strategic cooperation with more than 20 universities and scientific research institutions such as Huazhong Agricultural University, Northwest University of Agriculture and Forestry and Sichuan Agricultural University. We cooperated with them to carry out strategic cooperation in educating people, realise the organic combination of teaching and production, strengthen the knowledge of the profession, effectively promote the development of students' off-campus and social practice activities, and help cultivate compound talents with high professional practice capabilities.

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Indicators	Unit	2024
Number of training programs conducted	Session	10,381
Total number of training participation	Person-time	286,041
Training participation rate of employees	%	100
Training participation rate of male employees	%	100
Training participation rate of female employees	%	100
Training participation rate of senior management staff	%	100
Training participation rate of mid-level management staff	%	100
Training participation rate of other employees	%	100
Average training hours of employees	Hour	261.97
Average training hours of male employees	Hour	246.46
Average training hours of female employees	Hour	299.74
Average training hours of senior management staff	Hour	240.7
Average training hours of mid-level management staff	Hour	359.91
Average training hours of other employees	Hour	257.99

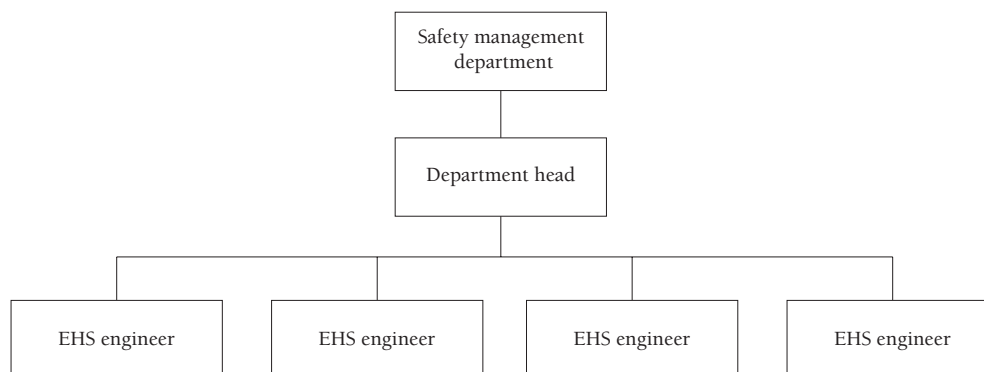
4.3 Safety and Occupational Health

Dekon strictly complies with the Production Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, and other regulations and ordinances. It has established safety production management control procedures, formulated safety production management standards and processes, and constructed a comprehensive occupational health and safety production management system. The Company continuously improves its safety production performance, prevents and reduces the accidents, and ensures personal safety, health, and orderly production operations. In 2022, 2023, and 2024, the funds we invested in production safety were RMB35 million, RMB21.8 million, and RMB39 million respectively.

Safety Production Management System

To further enhance the Group's safety production management, we have standardized the organizational structure, improved the management mechanism, and implemented responsibilities for safety production. We also diligently conduct hazard investigations and management to reduce and eliminate various types of safety accidents. In accordance with the principles of "whoever is in charge is responsible", "dual responsibilities for one position, and joint management", and "safety must be managed alongside production", the Group headquarters has established a safety production management committee, and each regional company has formed a safety production leadership group, which are fully responsible for the Group's safety production management. Additionally, we have established a safety management department throughout the Group to oversee the overall safety work. Safety EHS engineers regularly visit farms to provide safety assistance and training, effectively enhancing the safety awareness of all Group employees.

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Safety Risk and Management

We have identified safety risks in the production and operation processes, including fire, poisoning and asphyxiation, electric shock, vehicle injuries, as well as bites, falls, and slips involving pigs. To address these risks, we have established a safety hazard inspection mechanism. We conduct monthly safety inspections of farms to identify potential hazards and collect information on the rectification of these hazards. To standardize the management, reporting, and assessment of safety production accidents, we have developed accident management standards that classify accidents into four levels. Based on the severity of the accident, we impose cash penalties and year-end bonus penalties on the directly responsible individuals, managers, and leaders.

For family farms, we require that they develop reasonable production plans and safety production systems on the premise of ensuring safety, and eliminate any actions that violate safety production regulations, laws, and safety technical procedures. We assign dedicated personnel to oversee and inspect unsafe factors in the breeding process of family farms, and to urge timely rectification of identified issues. Additionally, these personnel are responsible for providing daily safety production education and training, as well as conducting safety inspections and managing hazard rectifications.

We require new employees to pass our three-level safety training and education assessment before commencing work. For current employees, we regularly provide safety production education and training to ensure they have the necessary knowledge and skills for safe operation, self-help and mutual rescue, and emergency response in their respective positions. In 2024, both our safety production training coverage rate and emergency drill coverage rate remained at 100%.



Safety production training



New employees induction safety training

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Safety Production Accident Management

We attach great importance to the management of production safety accidents and have set up a production safety leadership team and local executive sub-groups to strengthen production safety management at all levels in six areas: safety management mechanism, safety inspections, workplace safety measures, potential hazards investigation and rectification, safety training and employee health management, striving to prevent production safety accidents.

In order to promptly respond to unexpected employee safety production incidents, we have developed a corresponding emergency response process. In the event of an accident, we will address it at the first instance, conduct a timely investigation, properly handle the aftermath for employees, and carry out a comprehensive rectification of the occupational hazards.

Indicators	Unit	2022	2023	2024
Number of work-related fatalities	Person	2	0	1
Number of work-related injuries	Person	/	36	28
Number of working days lost	Day	/	1,192	1,998
Injury rate of million working hours	/	/	1.47	1.07

V. FULFILLING RESPONSIBILITIES THROUGH ACTION AND GIVING BACK TO VILLAGES AND COMMUNITIES

At Dekon, we believe that corporate development and fulfilling social responsibilities are a two-way empowerment process. We fully respond to the general requirements of the 20th National Congress of the Communist Party of China's report on "improving people's livelihood and well-being, and enhancing people's quality of life". We deepen our corporate responsibility, strictly safeguard food safety and quality, and care for the health and happiness of our staff. We also actively focus on the needs of our staff, participate in community development, and strive to build a pleasant home together with all stakeholders.

5.1 Efforts to Revitalize Rural Areas

Dekon continues to increase investment in rural revitalization, carry out the "Hundred Villages and Million Pigs" project, observe the national action plan for fertiliser reduction, put into practice the cycling of planting and farming, and create a benchmark for sustainable agricultural development. In response to the national initiatives on scaled farming and "homecoming farm owners (返鄉農民創業)", we deepen the family farm model, work with farmers to get rid of poverty and become better off while continuing to expand business scale, contributing to rural revitalization.

Promoting the "Hundred Villages and Million Pigs" Project

In response to the "Opinions on Comprehensively Promoting Rural Revitalization and Accelerating the Modernization of Agriculture and Rural Areas" (《關於全面推進鄉村振興加快農業農村現代化的意見》), we have actively integrated our development into the national rural revitalization strategy and observe the guiding principle of "accelerating the construction of a modern farming system, protecting the basic production capacity of pigs, and improving the long-term mechanism for the stable and orderly development of the pig industry" to explore innovative development models for the livestock and poultry farming and planting industries. We are committed to practicing our strategy of promoting rural revitalization and contributing to the construction of a strong agricultural country (推進鄉村振興，建設農業強國), working with the government to create a benchmark for sustainable agricultural development and vigorously promoting the "Hundred Villages and Million Pigs" project.

We have set the goal of "Six Ones (六個一)":

Benefiting **100** villages in **1** county, employing **10,000** people, annual production of **1** million pigs, construction of slaughtering and processing plants with an annual capacity of **1** million pigs, annual production of **100,000** mu of environmental and ecological vegetables and fruits, and construction of one feed mill with an annual capacity of 360,000 tonnes.

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We will actively observe the national policy of fertilisers and pesticides reduction, and will continue to create an environmentally friendly and sustainable farming model in accordance with stringent requirements and the following strategies, so as to put into practice the integration and cycling of planting and farming, and create a benchmark for sustainable agricultural development in line with the national agricultural and animal husbandry policy:

- leverage our technical advantages to develop and provide better environmentally friendly technologies to our family farms, and improve soil fertility through environmentally friendly farming processes, thereby creating an organic growth environment for healthy food;
- continue to implement energy-saving and carbon-reduction programs, and develop carbon emission reduction measures in our upstream and downstream businesses, such as encouraging the use of biogas and manure as fuel and fertilisers to reduce carbon emission. We will also encourage our peers to assume social responsibility and jointly reduce carbon emissions to create a green ecology;
- closely cooperate with the government, other enterprises and research institutions to promote sustainable development of planting and farming, drive the development of high-quality rural revitalization through our family farm models to help alleviate poverty in rural China, and complement China's strategy to build an agriculturally strong country.

The “Hundred Villages and Million Pigs” project is a public welfare program extended and upgraded on the basis of Dekon's existing industrial model, which will further benchmark us against the international leading level, practice the Dekon model of “uniting and promoting farmers, helping farmers increase their income, industrial ecology, and helping rural revitalization”, and promote the high-quality development of local pig industry in Yibin. Meanwhile, in the future, Dekon will use Yibin's “Hundred Villages and Million Pigs” as a sample to continuously improve the layout of the “Hundred Villages and Million Pigs” project, so as to form a demonstration effect, help more family farmers become rich and increase their income, and achieve the development and upgrading of the pig industry in more regions.



Dekon signed a contract with Wangkui County to build the “Double Hundred Program” Modern Planting and Farming Cycle Industry Chain Project

In June 2024, Ma Tianmin, Deputy Secretary of CPC Committee and County Governor of Wangkui, led a team to visit Dekon to conduct in-depth exchanges on the implementation of the “Double Hundred Program”. Both parties signed a cooperation agreement on the “Double Hundred Program” Modern Planting and Farming Cycle Industry Chain Project. By using the local resources advantages of Wangkui, the cooperation aims to implement the “Double Hundred Program” project with a high standard, so as to build a fully closed planting and farming cycle full-industry chain system, accelerate the upgrading and transformation of the modern agricultural industry chain in Wangkui County, benchmark the international leading level, implement such programs as farmers uniting and promoting, grain saving and emission reduction, double driving of planting and breeding, black land protection and three-industry integration, achieve the high-quality development goal of “strong agriculture, beautiful countryside and rich farmers”, further promote rural economic development, raise farmers' income level, and help rural revitalization.

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Supporting the Revitalization of Rural Industry

The rural areas prosper when the industry thrives. As a large-scale agricultural industrialization enterprise, by leveraging our industrial advantages and rich resource, and by increasing our support for family farms, we have developed our core business into a pillar for rural revitalization, striving to become an important entity to drive the high-quality development of rural industries, and making positive contributions to the sustainable development of regional economy, society and environment.

Dekon continues to practice the development concept of “uniting and promoting farmers, helping farmers increase their income, industrial ecology, and helping rural revitalization”, and actively combines scientific and technological development with industrial mode from high-standard breeding to high-quality food to develop a distinctive agricultural industry chain.

Mutually Beneficial Family Farm Models

Under the family farm models, we cooperate with independent individual farm owners, who are responsible for the investment of fixed assets such as lands and factory areas, and provide them with production materials such as pigs, feed, medicines and vaccines on open account terms subject to farm owners’ payment of deposits, which reduces the capital requirement for daily farming process and alleviates the financial pressure on farm owners.

We firmly believe that the food source is not only in food processing plants, but also in breeding end, planting end, and even in water, soil and air. Therefore, on the one hand, we step by step build a solid and thorough high-quality and high-grade food value chain from safe and efficient feed products, to healthy ecological breeding base, and then to high-quality food supply; on the other hand, we focus on “county economy”, and carry out innovative practical applications in new integrated planting and breeding model and “company + family farm” model and by using Dekon’s genetic breeding technology, disease prevention and control technology, animal nutrition technology and production management technology according to the actual breeding conditions of thousands of households, so as to drive a number of efficient and ecological smart farming and typical industrial poverty alleviation demonstrations, realize the organic combination of farmers and modern agricultural development, help rural development, farmers get rich, and industrial prosperity, and build a “truly multi-win, sustainable and efficient model for ecological agriculture and husbandry development”.

In the future, Dekon will advance with a high starting point and a high standard to train a large number of new family farmers by a new “full chain” production and education integration talent training model, so that they become the main force of pig raising technology, and the practitioners and beneficiaries of rural revitalization and “uniting and promoting farmers”.

By establishing mutually beneficial business models, we develop a close and long-standing cooperation relationship with farm owners, earning us a good reputation among farm owners. We have a close and long-standing cooperation relationship with farm owners.



The first family farm of Dekon's "Hundred Villages and Million Pigs" project was completed

By the end of November 2024, the breeding farm with 200 sows for integrated breeding and rearing at the Yibin Dekon "Hundred Villages and Million Pigs" Project Research and Training Base was completed, marking a significant milestone in the construction of the training base.

Energy-saving design — photovoltaic power generation is used on the roof of the production base. New technologies, such as air filtration, AQC precision ventilation, deodorization facilities, intelligent feeding, are used in the base to effectively reduce respiratory diseases of the pigs and increase daily growth rate. Compared with traditional farms, the family farm design of Dekon's "Hundred Villages and Million Pigs" project is forward-looking and advanced.

Dekon's "Hundred Villages and Million Pigs" project, an advanced environmental protection and sustainable development model, has the advantages of high biosecurity and high intelligence level. It serves as an exemplary and leading model across the industry. After putting into production, the Scientific Research and Training Base of Dekon's "Hundred Villages and Million Pigs" project will further optimize the allocation and utilization of resources, and promote the intelligent and efficient development of the breeding industry.



5.2 Public Welfare and Community Contribution

As we continue to grow our business, we remain attentive to societal needs. We are committed to improving people's lives through our development achievements and giving back to society with concrete actions. We actively leverage our business strengths and fulfill our social responsibilities to help more people in need. In 2024, we donated RMB10.6 million for charitable or other purposes.

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Donation for educational Cooperation	<ul style="list-style-type: none">• During the year, we made a love donation to Guizhou Education Development Foundation and its Songtao Education Special Fund.• We made an education donation to Education Development Foundation of Nanjing Agricultural University.• We donated scholarships to the 2022 Apprenticeship Class of Yibin Vocational and Technical College.• We cooperated with South China Agricultural University and made a donation to Education Development Foundation of South China Agricultural University.
Donations for students	<ul style="list-style-type: none">• We made a number of educational donations to Songtao, Guizhou, and carried out golden autumn educational donation activities in Wuluo Town Middle School, and Lengshuixi Town Middle School.• We made a donations to the students from needy families by the Red Cross Society of Songtao County and other institutions, established Education Fund for enriching the people and helping students in Panshiqiang Village, and Baao Community Incentive Education Fund in Professional Planting and Breeding Cooperative for Benefit Farming of Ba 'ao Village.• During Children's Day, Huawei Agriculture made "Children's Day" donation to surrounding primary schools; Anshun Dekon donated stationery and sporting goods to local primary schools of Pingba on Children's Day.• We donated student subsidies to Boai Growth Fund of Sichuan Charity Federation.• We donated "Love Schoolbag" to People's Education Foundation of Xing 'an League, Inner Mongolia.• We carried out a condolence activity for the teachers of Anhuai Town Central Primary School of Pingnan, Guangxi
Rural revitalization assistance	<ul style="list-style-type: none">• We made a donation to the Baoan Village Committee of Shihuipu Town, Yingde, Guangdong to support the installation of doorplates and hold village basketball games in Jingchun Village (original Jingchun Team).• We made a donation for rural revitalization construction of Xianjiaokeng Village, Qiaotou Town through Yingde Charity Association.• We made a donation to Yueming Village, Shuiwei Town, Xuyong County, Sichuan to support local road maintenance.• We made a donation to Wule Jidou Village, Guigang, Guangxi to support the installation of street lamps on Shangxiatun Road.• We made a donation to Xinmin Village Committee, Duanshan Town, Huishui County, Guizhou to support the improvement of village collective facilities.• We made a donation installing tap water in 8 households in Bailong Village, Tiefo Town, Zizhong County, Sichuan.

Care for
community
residents

- During Guangdong Poverty Alleviation Day, we made a donation to Qujiang District Finance Bureau of Shaoguan and Qujiang District Charity Association to support sympathy and assistance for agricultural households.
- We made a donation for disaster relief to Huaiji County Charity Association of Zhaoqing, Guangdong, to help local villagers affected by rainstorm.
- We made cash donation for agriculture and animal husbandry to Yantan Public Welfare Association of Zigong.
- We made public welfare donation to Wangchong Village, Meishan Town, Jinzhai County.



Case

As a title sponsor, Dekon sponsored “Village Run” | 100-person Run Group!

In the morning of May 19, 2024, Colourful Landscapes: The 5th National ‘Harmonious Village Health Run’ (Village Run) — Yibin Station was launched. As the title sponsor, Dekon established “Dekon Run Group” consisting of 100 employees to participate in half marathons and healthy runs.

The “Village Run”, themed “Running Towards a Harmonious and Beautiful Countryside, Running Out a Happy Life”, is a sports event organized by the Ministry of Agriculture and Rural Affairs and the General Administration of Sport. It aims to comprehensively promote rural revitalization and showcase the achievements in rural living environment improvement, healthy countryside, and harmonious and beautiful countryside construction. Adhering to the principle of “letting rural residents run in the beautiful countryside scenery, and connecting harmonious and beautiful countryside spots into a rural landscape line through running routes to fully display the achievements of rural revitalization and modern pastoral construction”, the “Village Run” has been successfully held for four consecutive sessions.



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HONG KONG STOCK EXCHANGE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE” CONTENT INDEX

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Index
A: Environment		
Aspect A1: Emissions	General Disclosure	3.2 Promoting Green Operation
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	KPI A1.1	The types of emissions and respective emissions data. 3.2 Promoting Green Operation
	KPI 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). 3.2 Promoting Green Operation
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 3.2 Promoting Green Operation
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 3.2 Promoting Green Operation
	KPI A1.5	Description of emissions targets set and steps taken to achieve them. ESG Focus Areas; 3.2 Promoting Green Operation
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them. ESG Focus Areas; 3.2 Promoting Green Operation

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Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Index
Aspect A2: Use of Resources	General disclosure	3.2 Promoting Green Operation
	Policies on the efficient use of resources, including energy, water, and other raw materials.	
	KPI 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).
	KPI A2.2	Total water consumption and intensity (e.g., per unit of production volume, per facility).
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and the water use efficiency target(s) set and the steps taken to achieve them.
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, the consumption per production unit.
Aspect A3: Environment and Natural Resources	General disclosure	3.1 Strengthening Environmental Protection;
	Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.3 Promoting the Planting and Farming Cycle
	KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.
Aspect A4 Climate Change	General disclosure	3.4 Addressing Climate Change
	Policies on identification and mitigation of significant climate-related issues which have impacted, or may impact, the issuer.	
	KPI A4.1	Describe significant climate-related issues that have impacted or may impact the issuer, and the response actions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Index
B. Social		
Employment and Labor Practices		
Aspect B1: Employment	General disclosure	4.1 Respect and Protect Employees
	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.	
	KPI B1.1 Total workforce by gender, employment type (for example, full or part time), age group and region.	4.1 Respect and Protect Employees
	KPI B1.2 Employee turnover rate by gender, age group and region.	4.1 Respect and Protect Employees
Aspect B2: Health and Safety	General disclosure	4.3 Safety and Occupational Health
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.3 Safety and Occupational Health
	KPI B2.2 Lost days due to work injury.	4.3 Safety and Occupational Health
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Safety and Occupational Health

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Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
Aspect B3: Development and Training	General disclosure		4.2 Talent Training and Development
	Policies on improving employees’ knowledge and skills for discharging duties at work. Describe training activities.		
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2 Talent Training and Development
	KPI B3.2	The average training hours completed per employee by gender and job category.	4.2 Talent Training and Development
Aspect B4: Labor Standards	General disclosure		4.1 Respect and Protect Employees
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		
	KPI B4.1	Description of measures to review recruitment practices to avoid child and forced labor.	4.1 Respect and Protect Employees
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Respect and Protect Employees

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Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
Operating practices	Aspect B5: Supply Chain Practices	General disclosure	1.4 Value Chain Management
		Policy on managing environmental and social risks of the supply chain.	
		KPI B5.1 Number of suppliers by region.	1.4 Value Chain Management
		KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	1.4 Value Chain Management
		KPI B5.3 Description of practices relating to identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored.	1.4 Value Chain Management
		KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.4 Value Chain Management
	Aspect B6: Product Responsibility	General disclosure	2.2 Food Safety and Quality
		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters of products and services provided and methods of redress.	
		KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable

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Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
Aspect B7: Anti-corruption	KPI B6.2	Number of complaints received regarding products and services and how they are dealt with.	2.2 Food Safety and Quality
	KPI B6.3	Description of the practices relating to observing and protecting intellectual property rights.	1.3 Integrity and Compliance in Operation
	KPI B6.4	Description of quality assurance process and recall procedures.	2.2 Food Safety and Quality
	KPI B6.5	Description of customer data protection and privacy policies, and how they are implemented and monitored.	1.5 Customer Service Management
	General disclosure		1.3 Integrity and Compliance in Operation
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.		
	KPI 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.	1.3 Integrity and Compliance in Operation
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Integrity and Compliance in Operation
	KPI B7.3	Describe the anti-corruption training provided to directors and employees.	1.3 Integrity and Compliance in Operation

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Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs			Disclosure Index
Community			
Aspect B8: Community Investment	General disclosure		5.1 Efforts to Revitalize Rural Areas;
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.		5.2 Public Welfare and Community Contribution
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	5.1 Efforts to Revitalize Rural Areas; 5.2 Public Welfare and Community Contribution
	KPI B8.2	Resources contributed to the focused area (e.g. money or time).	5.1 Efforts to Revitalize Rural Areas; 5.2 Public Welfare and Community Contribution

Part D: Climate-related Disclosures

Not applicable ^{Note}

Note: Given that the amendments to the Listing Rules and the Code adopted in the “Consultation Conclusions on the Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework” published by the Hong Kong Stock Exchange in April 2024 (the “2024 Amendments”) become effective for the financial years commencing on or after 1 January 2025, the Company will continue to focus on the phased approach for the new climate-related disclosure requirements (the New Climate Requirements) set out in Part D of Appendix C2 and consider appropriate disclosure in future financial years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

READERS' FEEDBACK

Thank you for reading this Report. In order to continuously improve the preparation of the report, we particularly hope to listen to your opinions and suggestions. Please complete the relevant questions in the feedback form and send us via:

Email: sichuandekang@dekanggroup.com

Tel: 028-62588308

Personal information

Name:

Work unit:

Position:

Contact number:

Fax:

Email:

Selection questions (Please click ✓ in the corresponding position)

Option	Very good	Good	Fair	Poor	Very poor
1. The Report reflects our significant economic, social and environmental impacts in a comprehensive and accurate manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The Report responds to and discloses issues of concern to stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The information, indicators, and data disclosed in the Report are clear, accurate, and complete	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Readability of the Report, i.e., the logic, content design, language and text, and layout design of the Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Open questions

1. What other information you need to know is not reflected in this report?
2. What are your suggestions for us to prepare ESG reports in the future?

Thank you for your care and support for Dekon!



四川德康農牧食品集團股份有限公司
DEKON FOOD AND AGRICULTURE GROUP