



天福(開曼)控股有限公司

Tenfu (Cayman) Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6868

Environmental, Social and Governance Report 2024

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

1. About the Report

Tenfu (Cayman) Holdings Company Limited (stock code: 6868.HK) (the “Company”) hereby releases the 2024 Environmental, Social and Governance (“ESG”) Report (the “Report”) of the Company and its subsidiaries (collectively referred to as “Tenfu”, the “Group” or “we”) to present the Group’s concepts and practices in ESG to all stakeholders. This is the ninth consecutive year for the Group to disclose the ESG report.

Reporting Scope

The Report covers the Group’s principal business endeavors and the reporting period is from January 1, 2024 to December 31, 2024 (the “Reporting Period”). The scope of disclosure of the Report is consistent with the financial report, in which we have taken into account the impact of our businesses on the environment, society and governance of the Group, the environmental data is derived from a total of eight production subsidiaries, namely Zhangzhou Tenfu Tea Industry Co., Ltd., Zhangpu Tenfu Tourism Tea Garden Co., Ltd., Anxi Tenfu Tea Industry Co., Ltd., Guiding Tenfu Tourism Tea Garden Co., Ltd., Zhejiang Tenfu Tea Industry Co., Ltd., Jiajiang Tenfu Tourism Tea Garden Co., Ltd., Guangxi Guigang Tenfu Tea Industry Co., Ltd., and Hangzhou Yunqi Tenfu Tea Industry Co., Ltd. The Report complies with the disclosure requirement of “Comply or Explain” and provides appropriate explanations for disclosure rules which are not applicable to us.

Reporting Standard

The Report has been prepared in accordance with the Appendix C2 “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”), accordingly explaining the environmental and social impacts arising from various business and operating activities of the Group from both environmental and social perspectives. The Report adheres to the “Materiality”, “Quantitative”, “Balance” and “Consistency” principles of the ESG Reporting Guide.

- **“Materiality” principle:** the stakeholder engagement and materiality assessment process has been included during the preparation of the Report as a basis for identifying material ESG issues;
- **“Quantitative” principle:** the Report has quantitatively reported on the significant key performance indicators of the Group’s environmental and social aspects. The quantitative data has been attached with description explaining its purpose and impacts with comparative data provided;
- **“Balance” principle:** the Report presents an unbiased picture of the Group’s performance in the environmental and social aspects; and
- **“Consistency” principle:** the disclosure and statistical methods of the key performance indicators in the environmental and social aspects of the Report are consistent with those of 2023.

Publication

The Report is published online and available on the website of HKEX (<http://www.hkexnews.hk/>) and the Group’s official website (<http://www.tenfu.com>).

2. Statement of the Board of Directors

The Company is fully aware of the importance of ESG management to the sound development of the Group. The board of directors of the Company (the “Board”) has established an effective ESG governance mechanism and management system in accordance with the requirements of the ESG Reporting Guide, and incorporated the ESG concept into the Group’s strategies, major decisions, and business practices. In order to further strengthen ESG management and respond to the expectations of various stakeholders, we have strengthened the existing three-level ESG governance structure and established the ESG Committee during the Reporting Period so as to enhance the supervision of the Group’s ESG and climate-related issues.

The Board is the highest responsible body for ESG strategy and management and is responsible for regularly reviewing the Group’s management objectives, policies and strategies for ESG and climate-related matters, participating in the assessment of ESG and climate-related risks and opportunities, and monitoring the effectiveness of the operation of the Group’s ESG risk management and internal control systems. The Board has established an ESG Committee, which is responsible for guiding and formulating the Company’s ESG vision, goals, strategies and structure, reviewing and monitoring the Company’s ESG and climate change strategies, policies and practices, as well as establishing risk management and internal control systems.

The Report discloses the progress and effectiveness of the Group’s ESG work in 2024. The Board is aware of its responsibility for the authenticity of the Report, undertake that the content of the Report contains no false records, misleading statements or major omissions, and has reviewed and approved the Report on March 18, 2025.

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3. About Tenfu

Tenfu is deeply committed to the Chinese tea industry. Since its establishment, it has always been aiming at “promoting tea wide across the country and the world”, adhering to the enterprise spirit of “resources derived from tea should be reinvested in the tea industry”, inheriting and carrying forward the excellent tea culture of the Chinese nation, and endeavoring to promote the sustainable transformation of the modern tea industry, in order to fulfil the vision of the founder that “the 21st century is the century of Chinese, and it will definitely be the century of Chinese tea”.

3.1. About Us

3.1.1 Overview of Tenfu

Tenfu is a leading traditional Chinese tea products enterprise in China, engaged in the sales and marketing of various tea products and the development of product concepts, flavors and packaging designs. Our main products are tea leaves, tea snacks and tea ware, which are sold through a nationwide network of our own and third-party retail outlets and specialty stores. Tenfu has been ploughing the China market for decades and has become a comprehensive tea brand integrating tea processing, sale, scientific research, culture and tourism.

3.1.2 Corporate Culture

- Brand mission: promoting the Chinese tea brand
- Enterprise spirit: resources derived from tea should be reinvested in the tea industry and in society
- Enterprise philosophy: natural, healthy and humanistic

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3.1.3 Business Overview

With respect to marketing patterns, the Group adopts a multi-brand strategy of market segmentation, in which the brands include “Tenfu”, “Tenfu Ten Xin”, “Uncle Lee”, “Tenxi”, “放牛斑” and so on, so as to make its presence in every market segment of China’s traditional Chinese style tea products.

- The brand “Tenfu” makes every effort to provide our customers with customized shopping experience, with high brand awareness among customers;
- The products under the brands “Tenfu Ten Xin” and “Uncle Lee” are sold mainly through the large scale supermarkets;
- The products under the brands “Tenxi” are sold through e-commerce platforms, aiming to provide more convenience for consumers to buy; and
- The brand “放牛斑” mainly targets the younger generation and offers instant tea beverage products.

With regard to product portfolio strategy, the Group’s major business of traditional Chinese tea products combines China’s tea resources and has developed more than 1,800 types of Tenfu series products, including packaged tea and tea bags of oolong tea, green tea, black tea, Pu’er tea, scented tea, and white tea, as well as tea snacks, tea ware, tea art utensils and incense lore.

Looking to the future, we will continue to uphold the belief of “making good tea attentively”, to satisfy people’s demand for a better life with high quality products and services, to contribute to the high-quality development of China’s tea industry, and to promote the sustainable inheritance of China’s tea culture.

[Case] Tenfu 2024 Tea Calendar (天福2024 喝茶有曆), Exploring Another Possibility of Tea

To promote green and low-carbon lifestyle concepts to consumers and lead the new trend of sustainable consumption, we have specially introduced a biodegradable calendar product – Tenfu 2024 Tea Calendar. This desk calendar embodies the principles of environmental sustainability, crafted from tea-based bioplastic (茶塑) – a material derived from tea residue – that combines the excellent properties of traditional plastics with eco-friendly attributes. The calendar stand is constructed using a mortise-and-tenon assembly technique and is made of recycled tea residue, allowing it to be fully biodegradable. Furthermore, the calendar features specially textured cardstock with a cut-out design, delivering a unique and innovative experience for consumers.



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3.1.4 Honors of the Year

In 2024, Tenfu received numerous honorary awards and earned widespread recognition from external parties for its outstanding performance in areas such as product quality and safety, consumer service and supply chain management.

Honorary Awards	Awarded by	Certificates and Awards
2024 China Tea Industry "Enterprise of the Year" (2024中國茶行業「年度企業」)	Forbes	
2024 Top 10 Tea Enterprise Brands in China (2024中國茶企業品牌 TOP10)	Chinese Tea Brand Value Evaluation Task Force (中國茶品牌價值評價工作組)	
Tea Industry Evergreen Enterprise (茶業常青藤企業)	China Tea Marketing Association	
2024 Key Tea Enterprise (Formerly Top 100 Tea Industry Enterprise) (2024年度茶葉重點(原百強)企業)	China Tea Marketing Association	

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Honorary Awards	Awarded by	Certificates and Awards
2024 Top Enterprises with Comprehensive Competitiveness in the Tea Industry (2024年度茶葉綜合競爭強力企業)	China Tea Marketing Association	
Zhangzhou Time-Honored Brand	Zhangzhou Municipal Bureau of Commerce (漳州市商務局)	
Zhangzhou Municipal Pilot Unit for Quality Empowerment in Industrial and Supply Chains (漳州市產業鏈供應鏈質量賦能試點單位)	Zhangzhou Municipal Market Supervision Bureau (漳州市市場監督管理局)	
Exemplary Enterprise of Integrity in Product and Service Quality (全國產品和服務質量誠信示範企業)	China Association for Quality Inspection	
National Consumer Quality and Reputation Guarantee Products (全國消費者質量信譽保障產品)	China Association for Quality Inspection	

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3.1.5 Tea Culture Promotion

Tenfu focuses on the Chinese tea industry, adhering to the concept of “tea culture as the foundation of the tea industry”, it is committed to inherit and carry forward the excellent Chinese tea culture and striving to achieve the vision of “promoting tea wide across the country and the world”. In 2024, Tenfu actively carried out diversified activities such as tea culture lectures, tea performances, tea ceremony lessons, to enhance the public’s awareness of and interest in Chinese tea culture and to promote the continuation, development and innovation of Chinese tea culture.

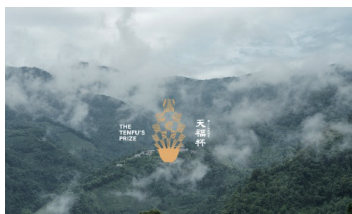
In line with the trend of information dissemination, we continued to innovate content and broaden communication channels. We promoted tea culture and corporate culture through platforms such as Douyin and WeChat video accounts. As at the end of the Reporting Period, 39 short videos were uploaded on Douyin video account, with over 5.3 million views and an accumulated number of followers of 140,000; 29 short videos were uploaded on WeChat video account, with over 560,000 views. In the future, we will use more high-quality content and more appropriate platforms to convey our corporate culture and promote tea culture, so that the traditional charm can blossom into the modern society.

[Case] “Tenfu Cup” Competition Tea Event Comprehensively Elevated

In 1994, Mr. Lee Rie-Ho, the founder of Tenfu Group, initiated the “Tenfu Cup” Cross-Strait Famous Tea Invitational Competition, aiming to promote the exchange and improvement of tea skills among tea people through healthy competition, and to discover and commend outstanding tea people from both sides of the Strait. After many years, the event has become an important platform to promote the prosperity and development of the tea industry, selecting many precious and fine teas for consumers and promoting the profound tea culture.

In 2024, we achieved new breakthroughs in the visual system and product packaging of the “Tenfu Cup”. The logo of the Competition Tea is inspired by the “Fragrance of tea from all over the world”, integrating historical and modern elements, symbolizing the convergence and inheritance of good tea, and the essence of tea culture. The packaging design of the gold and special series is inspired by diamonds. It combines metal materials and innovations in lacquer art to give traditional ceramic jars a modern and layered sense, highlighting the artistic value and preciousness of competition tea. The premium and star series are centered around the “Gold Medal” in the gift box, symbolizing the quality of the “Tenfu Cup” competition tea and serving as proof of the identity of the selected good teas in the “Excellent Selection”.

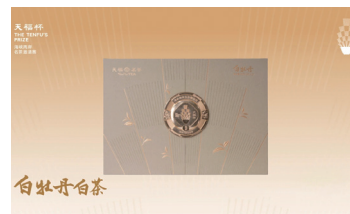
In order to enrich the content of the competition and convey the connotation of tea culture, in this year’s “Tenfu Cup”, we traced back to the source and specially planned the “Special Exhibition of the Cross-Strait Famous Tea Invitational Competition”. The exhibition showcased the natural charm and exquisite craftsmanship of various types of tea through multimedia, which not only deepened the public’s understanding of tea culture, but also demonstrated the original intention of “Tenfu Cup”, which is to always treat tea people with kindness and select “rare good tea”, letting tea fragrance be a bridge between the tea people on both sides of the Strait.



Logo of the Competition Tea



Gold and Special Series



Premium and Star Series



Exhibition Site




“Tenfu Cup” Poster

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4. “Tea As A Strategy” Responsibility-Oriented, Inheriting Sustainable Tea Practices

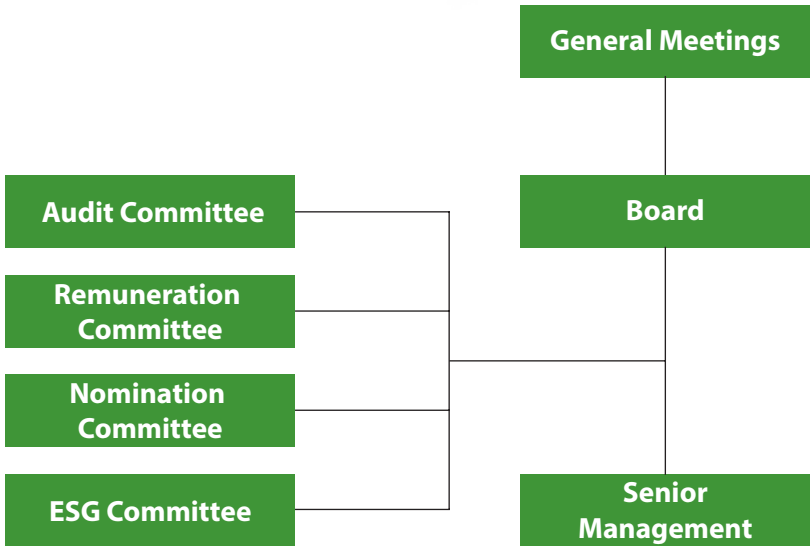
Sound corporate governance is the foundation for achieving compliant operations and efficient management. Tenfu endeavors to maintain a high level of corporate governance and provide protection for the Company’s long-term stable development. At the same time, Tenfu endeavors to drive and achieve sustainable development by fully integrating ESG concepts into the construction of governance structure, policy formulation and stakeholder management.

Response to SDGs:	Key Issues:
	<ul style="list-style-type: none">Integrity and compliance in operationsRisk management

4.1. Corporate Governance

Tenfu strictly complies with the Company Law of the PRC, the Companies Act of Cayman Islands and Appendix C1 “Corporate Governance Code” of the Rules Governing the Listing of Securities on HKEX (the “Listing Rules”) and other laws and regulations, as well as domestic and international regulatory requirements, and has established a corporate governance structure comprising the general meetings of shareholders, the Board and the senior management, to safeguard the shareholders’ rights and interests and to continue to create long-term value for the stakeholders by means of a sound and high standard of corporate governance.

The Board has established the Nomination Committee, the Remuneration Committee, the ESG Committee and the Audit Committee, each of which is responsible for overseeing different areas of the Group’s affairs, providing decision-making references and recommendations on major management issues, and ensuring the stable operation of the enterprise. The Board is responsible for formulating corporate development strategies and overseeing the Group’s business operations and financial performance. We also regulate the authorization of the Board to ensure the effectiveness of the Group’s internal control and risk management.



Governance structure diagram of Tenfu Group

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o The Board

The Board is responsible for leading and controlling the Group and overseeing the Group's business, strategic decision-making and performance. The Board has delegated authority to the chief executive officer and the directors have also assumed responsibility and have delegated powers and responsibilities to senior management through the chief executive officer for the day-to-day management and operation of the Group. In addition, the Board has established board committees and has delegated various responsibilities to these Board committees, which are set out in their respective terms of reference.

o Nomination Committee

The main duties and responsibilities of the nomination committee include regularly reviewing the structure, size and composition of the Board, recommending director appointments and succession planning to the Board, and assessing the independence of independent non-executive directors. The nomination committee will give due consideration to the board diversity policy when performing its duties of identifying appropriately qualified candidates for membership of the Board. All appointments to the Board are based on meritocracy with due regard to the benefits of diversity of the Board. Selection of candidates of the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional or other experience, skills and knowledge.

o Remuneration Committee

The main objectives of the remuneration committee include providing recommendations and giving approvals with respect to the remuneration policy and framework and the remuneration packages of executive Directors and senior management. The remuneration committee is also responsible for formulating transparent and fair procedures for the development of relevant remuneration policies and frameworks, ensuring that the Directors or any of their associates will not be involved in making decisions on their own remuneration. Such remuneration will be determined with reference to individual and the Group's performance as well as market practices and conditions.

o Audit Committee

The main duties and responsibilities of the audit committee include reviewing the consolidated financial statements and reports and reviewing any material or unusual matters raised by the internal or external auditors before submitting them to the Board. Additionally, the audit committee is required to review the relationship with the external auditors in light of their work and fees and the terms of engagement and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor. Furthermore, the audit committee is also responsible for reviewing the adequacy and effectiveness of the Group's financial reporting system, internal control system, risk management system and related procedures.

o ESG Committee

The ESG committee is responsible for guiding and formulating the ESG vision, goals, strategies and structure, at the same time reviewing and overseeing the implementation progress of ESG and climate change strategies, policies and objectives. The ESG committee is also responsible for identifying and determining the priorities of key topics on ESG risk issues, as well as establishing ESG and climate change risk management and internal control systems. In addition, the ESG committee is responsible for reviewing and approving the annual ESG report to ensure transparent and effective disclosure of the Company's performance in environmental, social, and governance aspects.

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4.2. Stable Operation

4.2.1 Business Ethics

Tenfu upholds integrity in business operations, adheres to business ethics and strictly complies with relevant laws and regulations, including Criminal Law of the PRC, Anti-Money Laundering Law of the PRC, Anti-Unfair Competition Law of the PRC and Civil Code of the PRC. It establishes and improves the mechanism of integrity management by deeply integrating the anti-corruption and business ethics into the Company's management and operation.

The Group adopts a zero-tolerance attitude towards corruption. Our Employee Handbook explicitly states that employee must not engage in malpractices for personal gains, embezzle public funds, corrupt, and bribery, and that any employee is prohibited from making use of his/her position to obtain improper benefits. In order to give full play to the role of supervision by all employees, we have set up reporting channels such as telephone and email to encourage employees to report any incident that has occurred or is likely to occur in violation of business ethics. Upon receipt of a report, we will verify the information in the first instance and take action based on the results of the verification. We promise to strictly protect the information of the whistleblower, to prohibit any retaliation against the whistleblower, and effectively protect the whistleblower's rights and interests.

Tenfu conducts regular training on business ethics such as anti-corruption and bribery, anti-occupation of duties and anti-money laundering for all our employees and directors to enhance the integrity awareness of all employees. During the Reporting Period, we conducted anti-corruption training for all directors, with the coverage rate of the training for directors reaching 100%. At the same time, we continued to carry out education on anti-corruption and integrity through new employee training and monthly employee meetings, covering 282 employees and receiving 266 training hours, strengthening the compliance awareness and ethical conduct of all employees, creating an ethical corporate environment.

[Case] Training on Business Ethics for all Employees

In 2024, Tenfu organized legal knowledge training for all employees, with courses covering anti-corruption, anti-bribery, anti-malpractice, etc. We adopted a combination of legal guidance and case studies, and explained in detail the principles that employees should adhere to legality, compliance and integrity when cooperating with business partners, and enhanced employees' legal awareness and professional ethics concept, laying a solid foundation for fostering a healthy and transparent corporate culture.



In order to promote the formation of a clean business ecosystem, we have incorporated integrity requirements into our business cooperation by requiring our suppliers to sign a Letter of Supplier's Integrity Commitment, and procurement employees to sign a Letter of Purchaser's Integrity Commitment to regulate the behavior of our partners and staff. In addition, we have set out clear integrity clauses in our procurement contracts to prohibit solicitation of bribes, bribery and other improper business practices to safeguard clean business practices.

During the Reporting Period, the Group did not have any corruption related litigation cases.

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4.2.2 Risk Control

Tenfu recognizes that effective risk management is a crucial safeguard for the company's steady and sustainable development. We continuously strengthen our ability to cope with various types of risks, ensure compliant operations and enhance our corporate resilience. The Group has established a comprehensive risk management system, which is coordinated and controlled by the Board as the highest decision-making body, and supervised by an internal audit department under delegated authority. The Board regularly reviews the completeness, appropriateness and effectiveness of the Group's risk management and internal control system to ensure that it is functioning as intended in practice.

In terms of risk management mechanism, the Group has established three lines of defense for risk management, clarified the responsible organizations and strengthened the risk management synergy. We have gradually formed a closed-loop management framework for risk identification, risk assessment and risk response. Relying on our comprehensive risk assessment methodology, we have conducted risk identification and analysis on factors that have potential impact on the Group's operations, such as social macroeconomics, industry, food safety, customer relationship, marketing, human resources, exchange rate, policy and information security. Based on the results of risk identification and analysis, a risk list covering the causes of risks, the likelihood of occurrence of risks, the extent of risk impact and planned countermeasures is formed and reported to the senior management and the Board. Finally, risk response strategies are formulated based on the current status of risk monitoring, the results of the Board's decision-making, and the investment of resources for risk mitigation, among other considerations.



In addition, the Group continuously refines its policies and procedures for managing sensitive information, ensuring that all disclosed content undergoes rigorous review and approval by the compliance department and management of the Company. At the same time, we are committed to enhancing the effectiveness of our internal control system and strengthening our ability to respond to significant internal control deficiencies. In the event of such incidents, we will promptly assess its potential impact, the department responsible for monitoring will formulate targeted corrective measures and implement them swiftly upon approval by management. Throughout this process, the management and internal audit department of the Company will supervise the execution progress to ensure that the monitoring deficiencies are resolved promptly and effectively.

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4.2.3 Intellectual Property Protection

Tenfu strictly complies with the laws and regulations related to intellectual property rights, such as Trademark Law of the PRC, Patent Law of the PRC, and Copyright Law of the PRC, and has formulated and implemented the Intellectual Property Management System, which regulates the management of various types of intellectual property such as trademarks, patents and copyrights.

We set up a dedicated post for intellectual property management in the Legal Department to clarify the application procedures for trademarks, patents or copyrights to ensure the validity of the Company's intellectual property rights. In terms of protecting our own intellectual property rights, we actively carry out market supervision work, analyze and research and coordinate the crackdown on counterfeit infringement matters through third-party online platforms, stores and consumer feedback.

As of the end of the Reporting Period, the Group has accumulated 906 trademarks and 76 valid patents, including 6 invention patents, 21 utility model patents, 49 design patents and 488 copyrights.

4.3. Digital Transformation

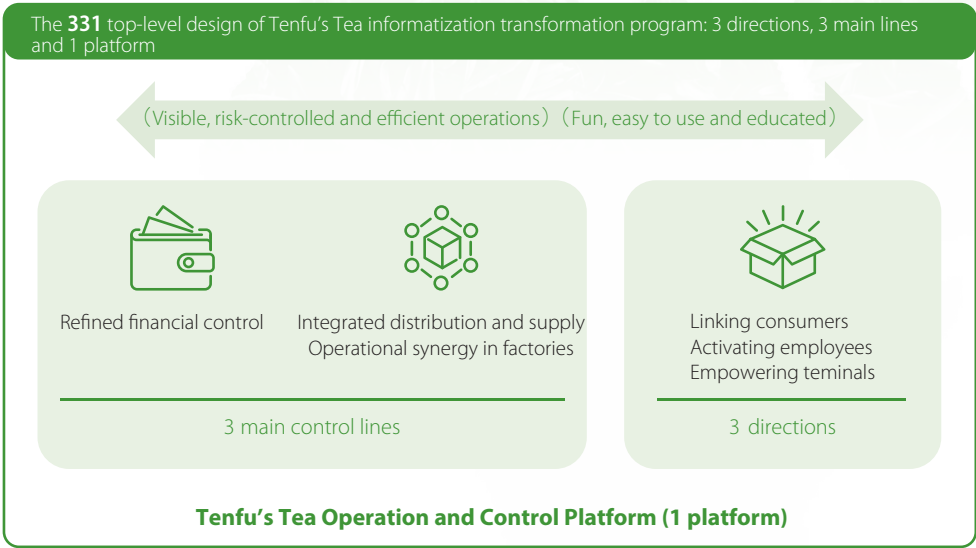
In the face of the new economy and new business, Tenfu has fully promoted digital management and actively explored new ways of digital transformation in traditional industries. The Group empowers its business segments with digital technology, drives business model innovation with data, and relies on strong internal dynamics to bring new vitality to traditional tea culture in digital transformation.

The Group set Enterprise Business Capability (EBC) as the core digital transformation objective, turning data assets into productivity and production factors that drive corporate innovation. We have formulated a digital transformation plan with "3 directions, 3 main lines and 1 platform", i.e. with the objectives of connecting consumers, activating employees and empowering terminals, we have built an integrated operation and control platform for the Group around three main lines, namely, integrated distribution and supply, operational synergy in factories and refined financial control, so as to satisfy the needs of vertical business control and the upgrading of horizontal business synergies.

We have prioritized the digitalization of our supply chain, upgrading and building an intelligent supply chain system, and have completed the implementation of the intelligent supply chain logistics management system across all factories, realizing data sharing along the entire chain of procurement, production, distribution and logistics. This system allows real-time monitoring of supply chain operations, optimizes inventory management, and facilitates the identification of potential supply risks in a timely manner, such that we can take precautions in advance, thereby ensuring the stability of the supply chain. During the Reporting Period, we have broadened the scope of application of "one product, one barcode" from products to the supply chain, continuously improving the accuracy of inventory data of supplied products.

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In addition, we continue to promote enterprise WeChat, enterprise process approval, and education and training systems to optimize work processes and improve work efficiency and improve the core competitiveness of the Company through various digital platforms, tools and means.

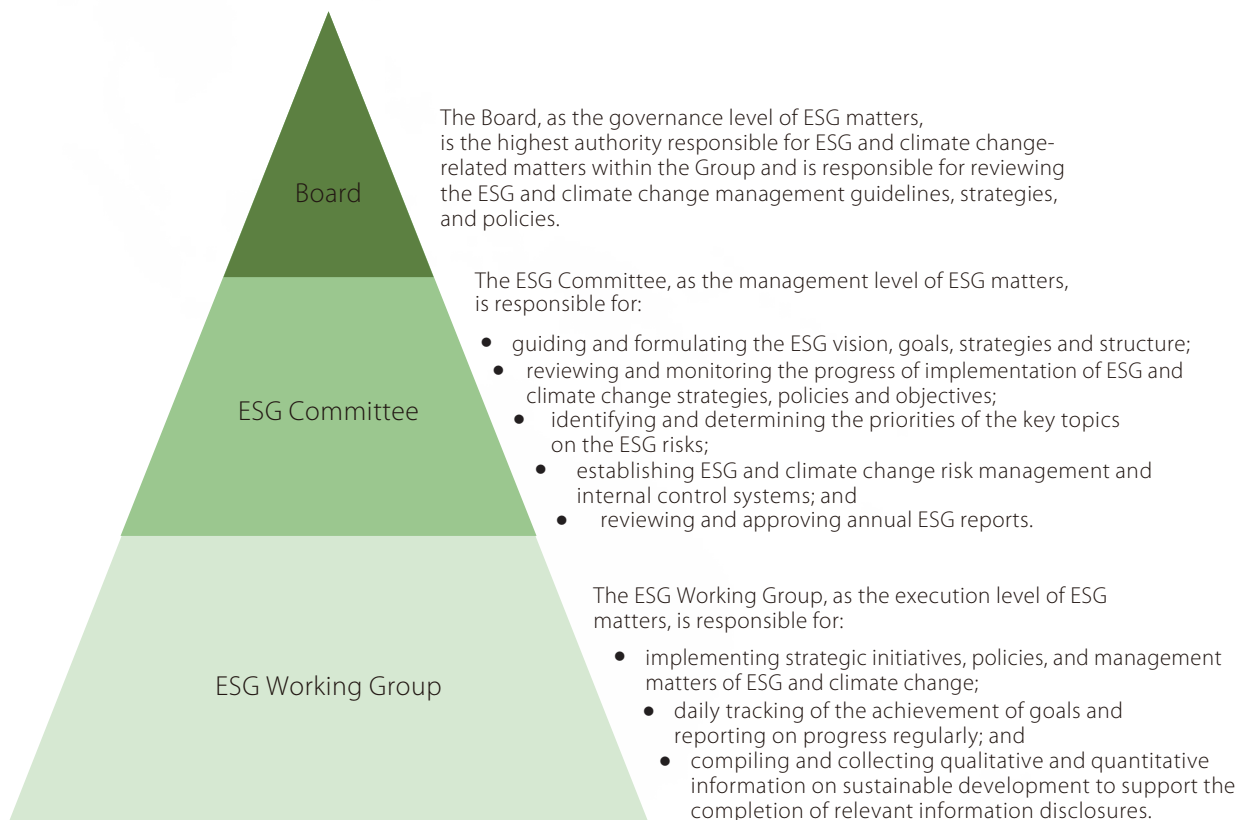


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4.4. ESG Governance

4.4.1 ESG Governance Structure








Tenfu recognizes the importance of ESG governance to the high-quality and sustainable development of the enterprise. We review and enhance our ESG governance system in accordance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the regulatory requirements of the jurisdictions in which we operate. In 2024, in order to enhance the Board's supervision over ESG matters, we established an ESG Committee, further refining our three-tier ESG governance structure that encompasses the governance, management, and execution levels.



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4.4.2 Stakeholder Engagement

Tenfu values the concerns and demands of all stakeholders. Through diversified and smooth communication channels, we understand and collect the suggestions, opinions, and expectations of stakeholders, including governments and regulators, shareholders and investors, customers, partners, employees, and the community, and incorporate them into the Group's ESG management strategies and practices.

Stakeholders	Expectations and Requirements	Communication Mechanism
Governments and Regulators 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Paying taxes according to the law • Contributing to society 	<ul style="list-style-type: none"> • Direct communication • Monitoring and evaluation • Government and enterprise cooperation • Meetings
Shareholders and Investors 	<ul style="list-style-type: none"> • Continued development and return to shareholders • Information disclosure • Corporate governance • Risk control 	<ul style="list-style-type: none"> • Company's annual reports, interim reports and announcements • General meetings of shareholders • Meetings, road show and field investigation
Customers 	<ul style="list-style-type: none"> • Quality services • Protecting consumer's rights and interests • Product quality and safety 	<ul style="list-style-type: none"> • Member activities • Transparent factories • Service hotline • Online platforms
Partners 	<ul style="list-style-type: none"> • Keeping promise • Equal, fair and open procurement • Win-win development • Anti-Corruption 	<ul style="list-style-type: none"> • Project cooperation • Daily business communication • Regular review and field investigation • Meetings and negotiations
Industries 	<ul style="list-style-type: none"> • Mutual benefit • Joint development 	<ul style="list-style-type: none"> • Research and cooperation • Communication conferences • Surveys and reciprocal visits • Communication activities
Employees 	<ul style="list-style-type: none"> • Salaries and welfare • Healthy and safe working environment • Equal opportunities for promotion and development • Ability enhancement 	<ul style="list-style-type: none"> • Performance assessment • Staff welfare activities • Training and team building • Internal meetings
Communities 	<ul style="list-style-type: none"> • Facilitating the harmonious development of the community 	<ul style="list-style-type: none"> • Community activities and cooperation • Public benefit and charity activities • Direct communication • Social media

4.4.3 ESG Materiality Assessment

The Group regularly considers the relevance of various ESG materiality issues to our business and sustainable development management efforts.

The Group's ESG material issue assessment process is set out below:

Step 1: Identify ESG issues

- Sorting out ESG highlights and stakeholder feedback
- Benchmarking industry hotspots and best industry practices
- Referring to the ESG Reporting Guide

Step 2: Conduct stakeholders communication and survey

- External stakeholder engagement
- Internal stakeholder interviews
- Ranking the importance of ESG material issues

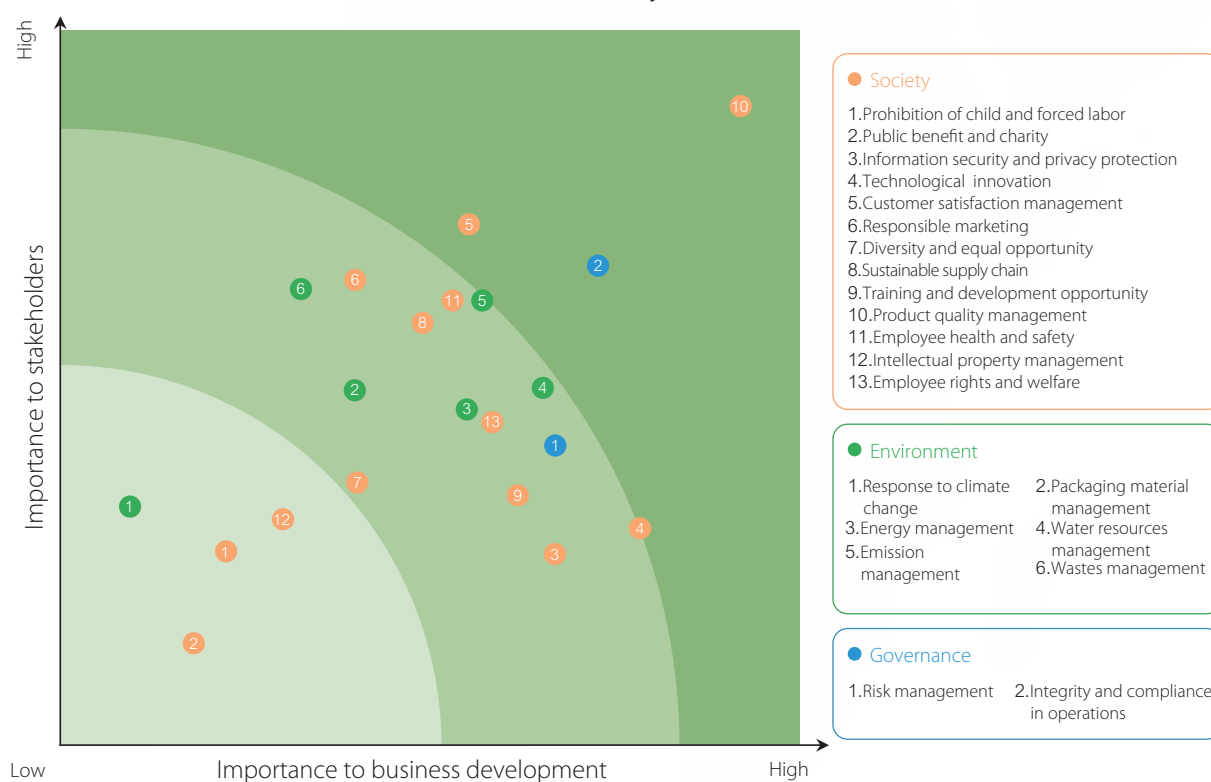
Step 3: Conduct material issue assessment

- Ranking the importance of issues based on two dimensions: importance to stakeholders and importance to business development
- Reviewing and validating the assessment results by the ESG committee and the ESG working group

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During the Reporting Period, we reviewed and evaluated existing ESG materiality issues based on industry characteristics, business strategic planning of the Group, domestic and international sustainability-related standards, key ESG concerns of peers, and stakeholder engagements. In 2024, we assessed and identified 21 ESG material issues, and formed a materiality matrix. For key ESG materiality issues, we provide targeted responses in the respective sections of the Report to address the concerns of various stakeholders.

2024 Tenfu ESG Materiality Assessment Matrix



5. “Tea-Oriented” Quality is the Top Priority, Creating Excellent Tea

Adhering to the business concept of “natural, healthy and humanistic”, Tenfu creates every product with craftsmanship. We continuously strengthen the construction of quality management system, optimize food safety management throughout the whole product life cycle, improve customer service standards, and actively leverages our leading position in the supply chain, cooperating with upstream and downstream partners of the value chain to build a sustainable food safety ecosystem.

Response to SDGs:	Key Issues:
  	<ul style="list-style-type: none">• Product quality management• Customers’ satisfaction level management• Data security and privacy protection• Responsible marketing• Intellectual Property management• Innovating technology• Sustainable supply chain

5.1. Product Quality with Ingenuity

5.1.1 Quality First

Tenfu regards product quality as the foundation of the enterprise, firmly adhering to the quality promise of “tea leads, food at ease”, continuously strengthening quality control and safety management. The Group strictly complied with Food Safety Law of the PRC, the Product Quality Law of the PRC and other relevant laws and regulations, formulating management systems such as Food Safety Management System, Food Safety Management Manual, Product Storage and Protection Management Control Procedures, Product Lot Traceability Management Policy and Quality Management Process for Export Products, clarifying the product quality management standards. In addition, we have also set-up a specialized team responsible for the research of food-related laws and regulations and also review and update internal control policies according to the latest standards and requirements of the industry, hence actively fulfilling food safety compliance obligations. In 2024, we reviewed and amended the mooncake quality management requirement system documents based on GB/T 19855-2023 General Quality for Moon Cake.

The Group continued to promote management system certification related to quality and food safety, and ensured the standardization and effectiveness of its internal management system. As of the end of the Reporting Period, the Group has obtained ISO 9001:2015 Quality Management System Certificate, ISO 22000:2018 Food Safety Management System Certificate and HACCP System Certification, and the current Good Manufacturing Practice (cGMP) certification in the United States.

Environmental, Social and Governance Report



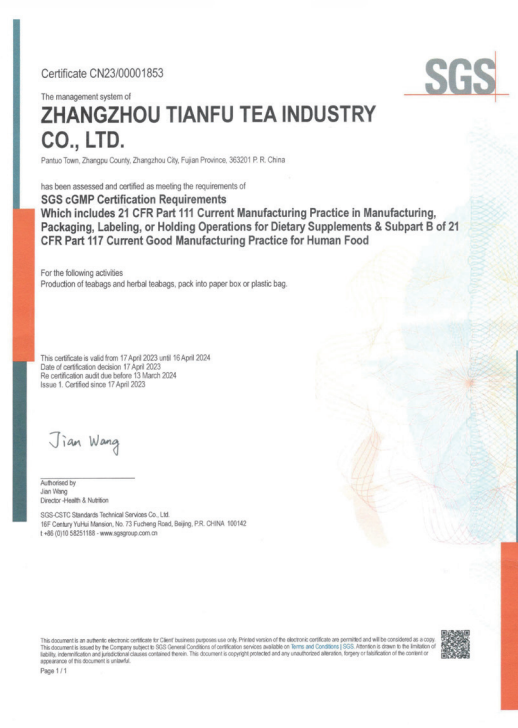
ISO 9001:2015 Quality Management System Certificate of Zhangzhou Tenfu Tea Industry Co., Ltd.



ISO 22000:2018 Food Safety Management System Certificate of Zhangzhou Tenfu Tea Industry Co., Ltd.



HACCP System Certification of Zhangzhou Tenfu Tea Industry Co., Ltd.



cGMP Certificate of Zhangzhou Tenfu Tea Industry Co., Ltd.

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We proactively build a quality culture and create a corporate culture of “quality first”. Through regular training and daily publicity activities, we ensure that employees understand and master the national food safety standards and internal quality control procedures of the enterprise, enhancing their quality awareness. In addition, we participate in activities and exchanges of industry associations, share the experience and practice of quality management with our peers, and promote the high-quality development of the industry together with our industry partners.

[Case] Zhangzhou Tenfu Tea Industry Co., Ltd. Participated in Zhangzhou’s 2024 “Quality Month” Event

On September 10, 2024, Zhangzhou Tenfu Tea Industry Co., Ltd. participated in the 2024 “Quality Month” event organized by Zhangzhou Quality Strengthening Municipal Work Leading Group Office and the Zhangzhou Administration for Market Regulation. Zhangzhou Tenfu Tea Industry Co., Ltd., was invited to attend the event as a key national agricultural industrialization leading enterprise, and was awarded the “Zhangzhou Industrial Chain and Supply Chain Quality Empowerment Pilot Unit” plaque. At the same time, as an awarded enterprise representative, shared industry chain and supply chain quality empowerment experience, the topic being “Double Loop Quality Management Boosts High-quality Development in the Tea Industry”, to facilitate the transformation and sustainable development of the tea industry.



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5.1.2 Assuring Quality

The Group pursues excellence, and is continuously improving the quality management of the products' life cycle, establishing a product control process that covers various segments such as incoming material warehousing, production control, factory product inspection, warehousing logistics, sales and export, tracing and recall, comprehensively ensure product quality and safety.

- **Incoming Material Warehousing:** The Group has strict entry threshold for raw and auxiliary materials suppliers; product quality standards need to be clarified, and also required suppliers to provide production inspection reports and product qualification certificates and strictly control the quality of source materials. We also followed the Record System for Purchase and Incoming Goods Inspection and established raw material inspection procedures and laboratory management measures. At the same time, we clarified the 106 requirements for testing pesticide residues in tea leaves, tested every batch of materials accordingly, and only qualified material is allowed to be warehoused.
- **Production Control:** We strengthened management over production environment and formulated relevant management measures such as the Measures for Management of Food Production Sanitation, Air Hygiene Inspection Procedures and Water for Production Inspection Procedures, which sets out specific requirements on workshop hygiene such as microbiological coating, air sedimentation rate, pest control, management of food grade inks/glues and management of hazardous chemicals, as well as the health and hygiene of employees. We have also set management objectives such as the environmental compliance rate of factories and the pass rate of workshop sanitation inspections, to continuously monitor and evaluate the status of the production environment to ensure that the manufactured products meet the relevant quality control requirements.
- **Factory Product Inspection:** We regulate the quality inspection procedures at all important production points. Before leaving the factory, we conduct a comprehensive product self-inspection to ensure that only products that have been inspected and meet quality standards leave the factory for sale. At the same time, in order to further strengthen effectiveness of quality control, we also assign professional organizations such as the Tiankang Inspection Center to carry out batch-by-batch quality inspections on tea and related products, tea substitutes and food products to ensure that the products are safe and reliable.
- **Warehousing Logistics:** The Group continued to optimize warehousing and logistics management to ensure product quality and safety during storage and transportation. We carried out standardized management of warehousing and formulate system documents such as the Warehouse Management Measures and the Product Storage and Protection Management Control Procedures to strictly guide and standardize the daily work of warehouse personnel. To ensure the suitability of the product storage environment, we are equipped with fans and dehumidifiers to effectively regulate the temperature and humidity in the warehouse, and require warehouse personnel to conduct daily inspections of the warehouse to prevent product damage or deterioration due to environmental factors. We also continued to improve the efficiency of logistics and transportation. Through the ERP (Enterprise Resource Planning) digital system, we connected the warehousing and sales segment, and promoted the in-depth integration of online, offline and logistics integration, and realized retail data and intelligence to ensure timely delivery of products and reducing the risk of product deterioration.



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- **Sales and Export:** In order to further improve the product sales and the quality of customer service, we have established a store audit mechanism to regulate the management of product sales in store and improve employee's professionalism and service mindset, hence optimizing customers' experience. As we actively expand the overseas market, we constantly strictly comply with Import and Export Control Regulations of the PRC, Foreign Trade Law of the PRC, Customs Law of the PRC and Import and Export Commodity Inspection Law of the PRC, and formulates the Quality Management Process for Export Products, which regulates the management of the quality of exported products, and strictly adhering to stay above the bottom line of the quality of exported products. We also applied and obtained the product quality certificates according to the requirements of the importing countries, including the National Organic Program (NOP) certification in the United States, and SGS-cGMP certification and EC certification, to ensure that the products comply with the technical regulations and quality requirements of the importing countries.
- **Tracing and Recall:** When the Group is made aware that a product has safety risks, we will immediately stop sales, and recall relevant unsafe product on our own accord. We clarified the product recall process and carry out the recall operation in accordance with the product recall plan. We also regularly carry out simulated tracing to ensure the effectiveness and timeliness of the product recall process. During the Reporting Period, the Group did not experience any product recall.

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[Case] One Product, One Barcode, Assigning Each Product Their Own Identity

Tenfu actively embraces digital transformation; management of product quality is strengthened via modern technology, providing consumers products with guaranteed quality. Since 2019, the Group took the lead in applying the digital platform to fully build the “one product, one barcode” commodity anti-counterfeiting traceability system. As of the end of the Reporting Period, we have established a full-process product traceability system, “from field to tea table”, realizing product whole-process management, information transparency and effectively protect the rights of the consumers.

Traceable Sources: We give each product produced by Tenfu, such as tea leaves, tea snacks and tea ware, a unique dual code (the “Dual Code”) identity of “QR code + barcode”. Adopting the traceability function of blockchain application technology, consumers can scan the code to get a clear understanding of the product’s place of origin, production factory, production permit, food safety inspection report, sales outlets and other information. At the same time, consumers can directly provide feedback on the product quality and service issues by scanning the code, and our staff will immediately implement collection and feedback. To ensure the validity and accuracy of the traceability information, we also require regional warehouses to scan the code, so that the “one product, one barcode” traceability can be implemented in the stores to ensure that the whole process from the tea garden to the terminal sales outlets is covered. In addition, we also attach the “one product, one barcode” logo to products that are sold separately to ensure that all products sold by the Group are labelled as “one product, one barcode”, so that consumers can purchase with confidence.

Authenticity Check: We use DNA oil film as the anti-counterfeiting label for our products, and each product item is equipped with an individual anti-counterfeiting label and a legal serial number, which can be used by consumers to check the authenticity of the product.

Counterfeit Prevention: The anti-counterfeiting packaging design of our products incorporates advanced anti-tear die-cut and tamper-evident release technology to avoid the reuse of labels, reducing the risk of product forgery or tampering, and enhancing product safety and reliability.



5.2. Premium Service

5.2.1 Compliant Marketing

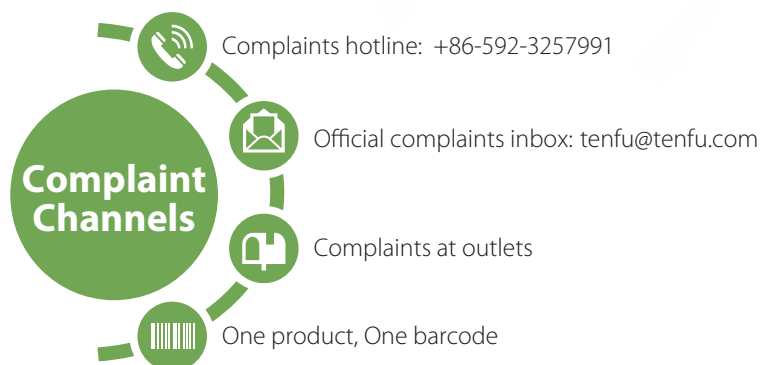
Tenfu strictly complies with the Advertising Law of the PRC, Administrative Provisions on Food Labeling, General Rules for Labeling of Prepackaged Foods and General Rules for Nutrition Labeling of Prepackaged Foods and other laws and regulations and industry standards, firmly adhering to the principles of responsible marketing, and actively protecting the legal rights of consumers. We clarify the advertisement review process, reviewing the content of advertisements, the main idea and explanations of advertisements, and other promotional elements, so as to ensure the truthfulness and accuracy of the promotional information of product marketing, and to avoid the occurrence of incidents of misleading consumers. At the same time, we regulate marketing actions, ensuring that our marketing activities will always follow laws, regulations and industry standards.

In terms of labeling management, the Group tracks laws, regulations and policy updates relating to labelling through multiple channels in order to quickly respond to the latest national labelling standards and compliance requirements. At the same time, by combining interpretation of laws and regulations with actual cases, we regularly provide training on legal knowledge of food labeling and marking to relevant personnel in packaging, design and planning of tea factories, food factories and other factories, so as to enhance their awareness and capabilities of compliant marketing, building an honest, regulated market environment together.

During the Reporting Period, the Group did not have any non-compliance incidents involving marketing.

5.2.2 Customer Service

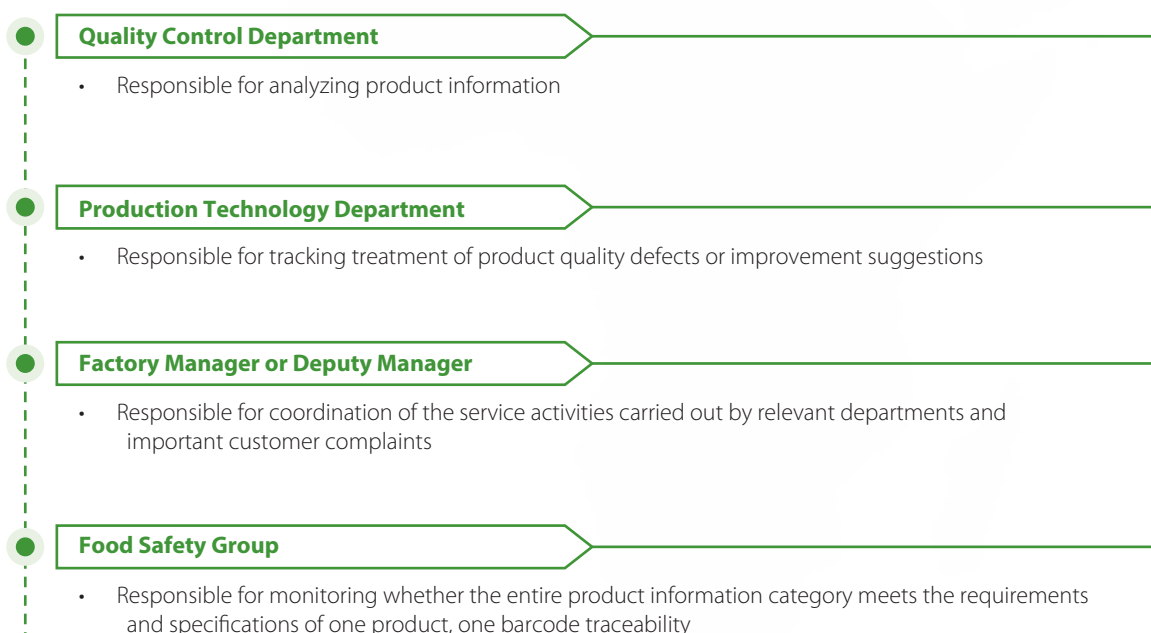
Upholding the customer service concept of “customer focus, speed and efficiency, and institutional protection”, Tenfu highly values the needs of consumers, and is committed to providing consumers with high-quality service experience. The Group has formulated Procedures for Customer Service Hotline Operation of the Business Department, Customer Complaints Handling Procedures and One Product, One Barcode Anti-Counterfeiting Label-Feedback Procedure to regulate the management of customer opinions and complaints. With the aim of “dealing with customer questions and making customers satisfied”, we have established various product problem feedback and complaint channels such as telephone, mailbox, store handling and “one product, one barcode” feedback, etc., to understand customer problems in a timely manner and respond to them quickly in a professional manner. In addition, we constantly collect customer feedback, regularly conduct data analysis, and generate case reports, which will be used as an important basis for optimizing the customer service model and enhancing customer service levels.



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We value customers' experience. We formulated the Customer Satisfaction Measurement and Control Procedures and established an outlet satisfaction service system, specifying organizational, departmental and individual responsibilities. In 2024, to better understand the real experience and needs of customers, we conducted a nation-wide customer satisfaction survey that covered multiple dimensions such as packaging of goods, net content of product, timeliness of delivery, product quality and after-sales service, and achieved a high score of 99.4 in terms of overall satisfaction. In respect of the issues and feedback the customers raised in this survey, we have organized and summarized them and formulated improvement measures accordingly, such that we continue to raise customers' satisfaction.

Customer Satisfaction Measurement and Control Procedures and responsibilities at all levels



During the Reporting Period, the Group received a total of 3,055 complaints about our products and services, with a 100% customer response rate, a 100% complaint resolution rate.

5.2.3 Consumer Rights Protection

Tenfu places great importance on the privacy and data protection of its customers and strictly complies with the Personal Information Protection Law of the PRC, Data Security Law of the PRC, Network Security Law of the PRC and other laws and regulations. The Group has formulated and implemented the Protection of Consumer Information and Privacy Policy, which specifies the scope of collection of user information, rules on the use of such information, criteria for disclosure of user personal information and other requirements.

In terms of protecting consumer information security, we use public cloud services certified by the Information Security Management System to enhance the comprehensive defense capability of local IDC (Internet Data Centre); at the same time, we routinely inspect the security of the mainframe of the system on a weekly basis, identify abnormal documents and take corresponding actions to ensure the stable operation of the system and safeguard the production and business. In terms of protecting customer privacy, we encrypt customer parcel waybill information and back-office data to avoid disclosing customer privacy, and also limit access rights to visitors from different VPN. In addition, we conduct monthly privacy protection training for our customer service staff for comprehensive protection of customers' privacy rights and data security.

During the Reporting Period, the Group did not have any incident related to privacy breach.

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5.3. Sustainable Supply Chain

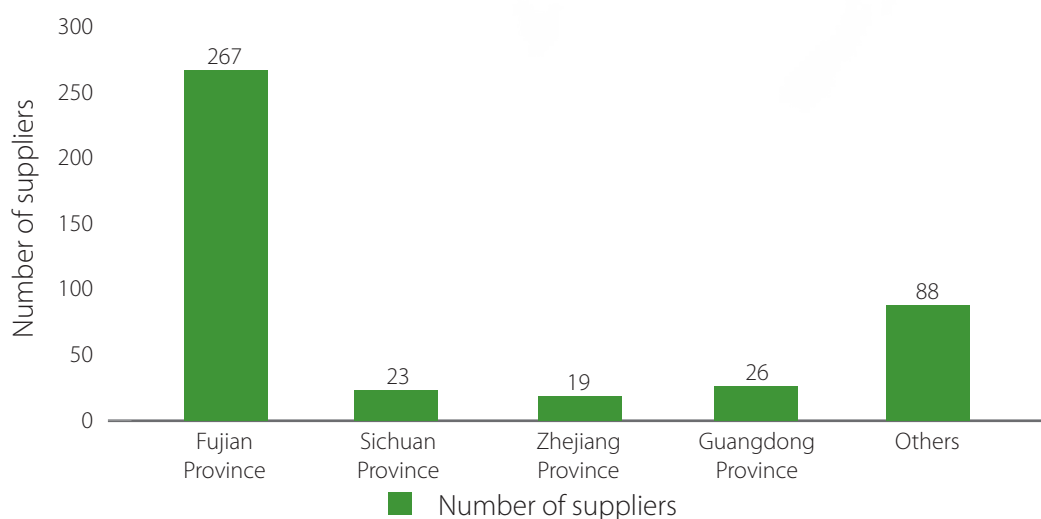
5.3.1 Supplier Management system

The Group is continuously improving its supplier management system, formulating policies and processes on the Procurement Management System, the Tea Procurement Policy and Process and the Procurement Workflow of TC Packaging Materials Procurement Department, implementing the classification and differential management of suppliers. We also clarified the management requirements of the entire process of supplier access review, performance assessment, improvement, elimination.

- **Access Review:** For suppliers who expressed interest in collaboration, we followed the new supplier introduction evaluation process, requiring them to provide registration information, production licenses and relevant product testing reports issued by national testing organizations etc., and auditing the authenticity of the materials provided through the online system and platform so as to enforce strict control on suppliers' access to inventory.
- **Performance Evaluation:** For suppliers we are already in collaboration with, the Group has established a supplier assessment mechanism and conducts comprehensive assessment on their performance on a regular basis. We have set up a specialized appraisal and evaluation team to conduct annual appraisals of our strategic suppliers and qualified suppliers in terms of quality of supply, stability of source of supply, timeliness of supply and after-sales service in accordance with the Form of Supplier Capacity Survey and Evaluation, and assess their potential risks in areas of technical capabilities, product quality, compliance management, etc. We updated the annual catalogue of qualified suppliers based on the appraisal results, carry out tiered management of suppliers and implement differential management and guidance for suppliers across different categories.
- **Improvement:** For suppliers performing below expectations, we provided improvement suggestions and actively communicated with them, urging them to take effective measures to improve so as to improve service and product quality as a whole.
- **Elimination:** For suppliers that fail to pass the comprehensive annual assessment of supply performance, have problems with delivery time or quality, and do not actively cooperate with improving quality issues or optimizing through new product development technology, we take necessary measures to terminate the cooperation with them to ensure the quality of the supplied products.

During the Reporting Period, the Group cooperated with a total of 423 suppliers. The number of suppliers by region is as shown in the table below:

Regional Distribution of Suppliers



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5.3.2 Responsible Procurement

Tenfu adheres to responsible procurement, continuously strengthens its supply chain risk prevention and control capabilities, and promotes the stable development of the enterprise. During supplier access, we regard environmental and social sustainability standards as important factors of considerations, such that we actively pursue green procurement, and prioritize cooperation with suppliers who provide low-carbon, environmentally friendly products and services. We have also clarified the procurement rules and regulations for organic green tea and prioritized cooperation with suppliers with good environmental performance, hence enhancing the eco-friendliness of our products. In terms of packaging material, we prioritize the procurement of eco-friendly biodegradable packaging such as photodegradable vest bags, environmentally friendly kraft paper bags and EPE pearl cotton foam, making an effort to minimize the negative impact of our consumption behavior on the environment.

For daily management of suppliers, we have developed the Supplier Environmental and Social Risk Assessment Form to assess the performance of suppliers in fulfilling their social and environmental responsibilities in terms of respecting labor rights and interests, safeguarding the health and safety of workers, establishing an environmental management system, guaranteeing product quality, and practicing green procurement, identifying and mitigating ESG risks at all stages of the supply chain in a timely manner and ensuring the stability of the supply chain. In addition to regular risk assessments, we further assess the environmental and social impacts generated by suppliers of packaging materials through on-site inspections, so as to strengthen risk prevention and control in the supply chain. In addition, we require first-tier suppliers to incorporate the environmental assessment of second-tier suppliers into the environmental and social risk assessment of their suppliers, so as to continuously enhance the impact of green procurement and continue to promote the goal of win-win cooperation of achieving sustainable development with our supply chain partners.

The Group continues to deepen the cooperation with suppliers with integrity, and works together with suppliers to create a healthy and transparent business environment. We require our suppliers to sign the Letter of Supplier's Integrity Commitment, ensuring that they strictly abide by the relevant requirements of integrity and self-discipline during the cooperation period. In addition, we have explicit integrity clauses in our procurement contracts prohibiting solicitation of bribes, bribery and other improper business practices, so as to ensure compliance and fairness during procurement.

5.3.3 Empowering Suppliers

The Group is committed to establishing mutually beneficial and win-win cooperation relationships with suppliers. Through various forms such as on-site guidance, events, daily communication, etc., we will strengthen cooperation and exchanges with suppliers and share industry knowledge and quality experience. We actively leverage on our own advantage of Tenfu's own factories and strongly promote the local procurement of tea raw materials. As we promote the economic development for local tea farmers, we also contribute to the high-quality development of major tea-producing regions. We drive the economic development of local tea farmers through sales, and consider the role of the stores as a direct window to reach customers. We actively educate retail staff on tea leaves, deepening their understanding of the background of the tea's place of origin and thus increasing sales of tea products.

[Case] Yunnan Floral Black Tea Trial Production Guidance Event

In April 2024, we held a Floral Black Tea production assistance event at Pu'er, Yunnan in order to support tea farmers, attracting 50 participants. This event aimed to help local tea farmers master even more intricate tea craftsmanship through on-site lessons and interactions. We also shared our own market development experience and provided new ideas for Pu'er tea farmers' sales channels.



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6. “Flowing with the Tea” People-Oriented, Spreading the Essence of Tea Across the Globe

Tenfu insists upon the principle of being “people-oriented”, safeguarding employee rights and benefits and placing emphasis on talent growth and development. Concurrently, we have merged our own development with economic and social development, paying attention to the community and the aspirations of the public, as well as actively accepting social responsibilities to grow alongside our employees and sharing value with society.

Response to SDGs:	Key Issues:
<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div><div><div>5</div><div>GENDER EQUALITY</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div></div>	<ul style="list-style-type: none">Prohibition of child and forced laborEmployee rights, interests and benefitsTraining and developmental opportunitiesEmployee health and safetyDiversity and equal opportunityCharity

6.1. Attraction, Cultivation, Utilization and Retention

6.1.1 Employee Rights and Benefits

o Compliant Employment

Tenfu strictly follows the Labor Law of the PRC, the Labor Contract Law of the PRC, the Provisions on the Prohibition of Child Labor as well as other relevant laws and regulations, and has formulated an Employee Handbook to systemically regulate the recruitment process and management procedures, safeguarding the legal rights and benefits of employees.

We proactively create a diverse, fair and tolerant work environment. We oppose all discriminatory behaviors arising from factors such as gender, age, ethnicity, race, nationality, place of origin, religion, marital status, etc., and have organized anti-discrimination trainings so as to provide a fair and equal platform for hiring, salary distribution, and advancement to our employees.

We prohibit child and forced labor. During the recruitment process, we review the identity documents of job applicants to confirm the actual age of the applicants and to prevent any occurrence of child labor. Additionally, in order to ensure sufficient rest for our employees, we implement the standard working hour system and the comprehensive working hour system, conduct relevant audits of overtime work, and offer arrangements for compensatory time-off or pay overtime allowances in accordance with the law. Our employees are entitled to various types of leave including national statutory holidays, paid annual leave, sick leave, funeral leave, marriage leave and maternity leave. Once infractions such as child labor and forced labor are reported, we shall address them in strict accordance with the Employee Handbook, and in severe situations, we shall consider the termination of our labor relationship with the other party.

During the Reporting Period, the Group has not been involved in any infraction of labor standards such as discriminatory employment and harassment, nor has it been involved in any employment-related infractions such as child labor or forced labor.

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o Talent Attraction

We have established diversified recruitment channels, including social recruitment, campus recruitment and internal recommendation to attract professional talent from different backgrounds. At the same time, we have responded to the call of local governments to strengthen local recruitment and continued to solve the problem of local employment rate. In addition, we proactively provide equal employment opportunities for individuals with disabilities within their ability, and provide support for their performance of job duties by providing them with reasonable and accessible workplaces to give full play to their talents.

As of the end of the Reporting Period, the Group had a total of 3,603 employees, details as set out below:

Key Performance Indicators		Total Number of Employees in 2024 (persons)
Gender	Male	853
	Female	2,750
Age	Aged below 35	1,003
	Aged 35 to 45	1,498
	Aged above 45	1,102
Region	China	3,598
	Overseas	5
Type of Employment	Full-time	3,447
	Part-time	156
Position Level	Senior management staff	159
	Mid-level management staff	555
	Junior staff	2,889

o Remuneration and Benefits

The Group adheres to the remuneration philosophy of "labor-based distribution, encouraging value creation and equality and fairness" and has established a comprehensive performance-based remuneration system to provide competitive remuneration. In order to motivate our employees, we have established a salary structure linked to factors such as rank, performance and ability to stimulate corporate vitality. At the same time, we provide employees with non-salary benefits such as medical check-ups and meal subsidies to create a more comfortable working environment for the employees.

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o Employee Communication

Tenfu believes that good employee communication is the key to building harmonious labor relations. We have established feedback channels such as trade unions and monthly staff meetings to listen to our employees. In order to enhance the smoothness of employee feedback, we have set up direct feedback channels to the supervisors or the human resources department to understand employees’ opinions in a timely manner. We will maintain a detailed record of employee feedback and devise a solution that is satisfactory to the employee.

The Employee Satisfaction Survey is an important channel for us to strengthen employee communication and listen to employee feedback. Through the Employee Satisfaction Survey, we can enhance our understanding of the needs of employees in different functions, solve their problems, and strengthen their sense of identity and belonging. In 2024, we have continued to expand our Employee Satisfaction Survey, conducted an internal assessment, and made targeted improvements based on the survey feedback to enhance employee engagement and satisfaction. We have designed three types of customized questionnaires for employees in different functions, including management, technical and junior staff, to better meet the actual needs of employees in different functions, and have obtained an average employee satisfaction rate of 98.86%.

During the Reporting Period, the employee turnover rate of the Group was 16.3%. The employee turnover rate by category is shown in the table below:

Key Performance Indicators		Employee Turnover Rate in 2024 (%)
Gender	Male	13.6%
	Female	17.1%
Age	Aged below 35	39.2%
	Aged 35 to 45	6.0%
	Aged above 45	9.4%
Region	China	16.3%
	Overseas	0.0%

6.1.2 Employee Development

Tenfu attaches great importance to the development of talent and strives to provide diversified career development paths for employees in different business areas. We have put in place a transparent and fair internal advancement system with well-established career paths, building a career platform for our staff to give full play to their talents. The Group has also put in place a bonus mechanism to reward and encourage staff with outstanding performance by providing them with performance awards and achievement awards to reward their value of work.



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The Group has continued to optimize its talent cultivation system. Based on the developmental needs of our staff, we formulated annual training plans and launched a wide variety of training programs, such as training for new hires and food safety staff, management training, training for reserve talent and public training, to enhance their professional skills and management level. At the same time, we have set up our online learning platform “Magic Academy” (魔學院) and continuously updated the training courses according to the development of our business and services, calling upon the digital training platform of our employees to empower employee development. In addition, we have actively responded to the local governmental professional talent skill subsidy policies by setting up two types of subsidies, namely the “skill level recognition category” and the “specialized skills assessment category”, to encourage our employees to carry out skill trainings such as tea experts, tea judges, western pastry chefs and tea processors and obtain certifications to upgrade their vocational and technical skills, so as to satisfy the demand for talent for the development of the industry.

During the Reporting Period, we launched practical skills trainings covering various aspects such as hosting skills, short video production, etiquette and decorum, communication and coordination skills, to comprehensively enhance the employees’ professional skills and overall ability. In addition, we have also paid attention to the psychological well-being of our employees, providing trainings on emotional management and stress relief for employees to effectively help them relieve work-related stress, promoting the harmonious development of body and mind and health.

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[Case] Reserve Host Training

In April 2024, the Group carried out reserve host trainings for its employees. 9 employees underwent a systematic training course lasting a period of 4 months and totaling 64 hours of professional learning and exercise. The course, which mainly included topics such as image building, stage etiquette, proper Mandarin pronunciation, scientific vocalization and voice shaping, emotional expression and stop-stress intonation, hosting of meetings and parties, observational learning, hosting of annual events, scriptwriting, music appreciation and practical training, will be beneficial in helping our employees systematically master hosting skills and has laid a solid foundation for their wonderful performances in future hosting occasions.



[Case] Employee Upskilling Training

In September 2024, we launched the employee upskilling training for our employees with the aim of continuously improving their professional qualities and occupational skills. The training focused on the fields of senior tea appraisers and tea experts, attracting enthusiastic participation from 94 colleagues. Through this training, employees not only improved their individual skills, but new vitality was also introduced to the development of the Company, so as to better confer and promote the culture of Chinese tea.



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During the Reporting Period, the employee training information of the Group is as shown in the table below:

Key Performance Indicators		Percentage of Trained Employees (%)	Training Hours per Capita (hours)
Total		45%	23.57
Position Level	Senior management staff	7%	45.47
	Mid-level management staff	21%	35.64
	Junior staff	72%	20.05
Gender	Male	22%	18.33
	Female	78%	25.20

6.1.3 Care for Employees

Guided by the philosophy of “mutual respect, mutual love and mutual courtesy”, Tenfu cares for our employees’ physical and mental health, enriching their working life and promoting a relaxing and uplifting working environment. During the Reporting Period, we organized a number of employee activities such as sports competitions and welfare travel excursions. At the same time, we organized a series of initiatives such as organizing condolences for employees in difficulty, launching summer care classes for employees’ children and setting up an education fund to extend our care to our employees’ families and further enhance their sense of well-being and belonging.

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o *Featured Employee Activities*

[Case] The Tenth “Little Fish Cup” Swimming Competition

In September 2024, Tenfu successfully organized the tenth “Little Fish Cup” swimming competition with the aim of encouraging employees to actively adopt a healthy lifestyle and improving team cohesion. The competition attracted more than 100 employees, covering a number of swimming events such as freestyle, breaststroke, medley and relay races. It showcased the sportsmanship and fighting spirit of our employees, improved team cohesion, and further promoted the establishment and development of our corporate culture.



[Case] Employee Welfare Travel Excursion

In 2024, in order to help employees to relax and relieve stress, we have provided multiple routes of welfare travel excursion activities for employees covering the Jinkou River Grand Canyon, Xichang, Dali, Lijiang, Chongqing and etc, attracting active participation from 199 employees. This activity not only allowed employees to relax amidst the beautiful natural landscapes and rich cultural experiences, but also enhanced communication and cooperation among teams.



o Care for Employees' Families

[Case] Condolences to Employees in Difficulty

Tenfu has always cared about employees and their families in difficulties, providing assistance and condolences as much as possible to employees who are troubled by illnesses or whose families are suffering from difficulties, enhancing their quality of life and sense of well-being, and spreading the spirit of love and dedication.



[Case] Fortunate Second Generation (福二代) Summer Care Class for Children of Employees

In 2024, Tenfu continued the Fortunate Second Generation (福二代) Summer Care Class for children of employees, which included courses on tea picking, tea ceremony, elocution, painting and calligraphy, and outdoor training, to enrich the summer life of the employees' children and effectively solving the employees' problem of "difficulties in looking after" their children during the summer.



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6.2. Occupational Health and Safety

Tenfu places the greatest importance on the health and safety of its employees. The Group strictly complies with the national laws, regulations and requirements, such as the Production Safety Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases, Fire Services Law of the PRC and Measures for Management of Emergency Response Plans for Production Safety Accidents. We have formulated the Tenfu Health and Safety Management Policy to comprehensively promote production safety and occupational health management work, thereby providing our employees with strong and reliable safety and health safeguards.

o *Safety Risk Prevention and Control*

The Group has continued to improve its production safety management system, formulating the Emergency Plan for Production Safety, establishing a safety workgroup and implementing various production safety tasks to prevent various production safety risks. We carry out quarterly inspections of potential production safety hazards, and have established a working mechanism combining inspection and prevention and control to carry out timely inspections and maintenance of production and safety facilities, thereby effectively strengthening production safety precautions.

o *Occupational Health Management*

The Group is committed to providing a safe and healthy production environment for its employees and continuously improves the safety conditions of production and the environment of the workshops to provide employees with multi-faceted health and safety protection. We have clearly defined the operating procedures and health and safety guidelines for equipment in the various production areas of our workshops, such as the material circulation area, high temperature operation area and general production area, and we require our production employees to carry out their production activities in strict compliance with the operating procedures. At the same time, we provide production training for all new employees, with them only being permitted to begin work after they have passed the training. We also equip our employees with the necessary protective measures through the provision of personal protective equipment such as work clothes, work shoes and hats, emergency lighting equipment, masks and heat-resistant asbestos gloves. In addition, we continue to provide strong health and safety safeguards for our employees through a series of measures such as annual medical check-ups, provision of fire-fighting equipment and first-aid kits, and the posting of warning signs in conspicuous locations.



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o Production Safety Education

The Group periodically organizes and carries out various forms of production safety education and training to enhance employee production safety awareness, create an ambient of safety culture and to raise the quality of employee safety. We have collaborated with the fire and police stations to organize seminars such as fire safety knowledge sharing to enhance employees' understanding of the relevant professional skills. We have also cooperated with Zhangpu Tenfu Hospital (漳浦天福醫院) to organize activities raising first aid awareness, enhancing our employees' ability to perform first aid through teaching basic first aid such as the basics of the Cardiopulmonary Resuscitation and the Heimlich maneuver emergency first aid methods. In addition, we actively organized and carried out emergency drills on flood control, hazardous chemicals, fire safety and other aspects to improve employees' emergency response capabilities.



Flood Control Emergency Drill



Hazardous Chemicals Emergency Drill

During the Reporting Period, the Group has not been involved in any employee health and safety related litigation, the total number of work days lost due to work-related injuries for the Group was 627 days. The work-related fatalities of the Group during the past three years are shown in the table below:

Key Performance Indicators	Number of Work-related Fatalities	Percentage of Work-related Fatalities
2024	0	0%
2023	1	0.03%
2022	0	0%

6.3. Community Involvement

Tenfu has a passion for social welfare activities, giving back to and caring for the community at large, fulfilling its corporate social responsibility, and collectively building a harmonious society. The Group has formulated the Tenfu Charity and Public Welfare Activities Management System to regulate the process of donations and public welfare activities and to enhance the quality of the Group's public welfare activities. During the Reporting Period, we organized and carried out public welfare activities such as elderly visitation, Mother's Day tea serving, and child care events to spread warmth and care to the community.

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On March 23, 2024, we successfully held the 8th Rhododendron Tea Party. This grand event extended upon the cultural exchange functions from the previous years and innovatively set up the “Love and Respect for the Elderly” donation event segment, so as to support elderly care efforts through practical actions and to help build a happy retirement home for the elderly.



On May 12, 2024, we held a tea serving public welfare event with the Women’s Federation of Zhangpu county titled “Thanksgiving and Filial Piety Through Tea, Sharing the Fragrance of Tea from Fujian and Taiwan”. More than 100 travelers and students on educational study tour attended the event, expressing their gratitude and sentiments to their mothers through tea.






On June 1, 2024, we held a Zhangpu-Taiwan children’s networking and exchange program with the theme of “Welcome the Dragon Boat Festival with shared bonds and shared dumplings, celebrate Children’s Day by enjoying traditional customs” with the Women’s Federation of Zhangpu County. During the activity, we presented festive gifts to every child to convey care and love from society.

In addition, we focused on fields such as medical care, education, community and others, launching a series of charity fundraising activities to fulfill our corporate social responsibility through practical actions. During the Reporting Period, the accumulated donations from Tenfu amounted to RMB168,800. The distribution of donations is as follows:

Recipient of Donations	Donation Amount
Donation to Charity federation	RMB 100,000
Donation to Senior Citizens’ Association	RMB 30,000
Donation to a Primary school	RMB 800
Donation to the Xiangxian Promotion Association (鄉賢促進會)	RMB 38,000

7. “Deep Cultivation with Tea” Aiding the Environment, a Long Journey with Tea

Tenfu insists upon the incorporation of “green” practices into its routine production operations, continually improving its environmental management ability, raising its efficiency of resource usage, lowering pollutant emissions and protecting the ecological environment. The Group actively responds to climate change by implementing “dual-carbon” initiatives, continuously working on energy conservation, emission reduction and green transformation, thereby improving the sustainable influence of the business.

Response to SDGs:	Key Issues:
<div><div>7 AFFORDABLE AND CLEAN ENERGY </div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div><div>13 CLIMATE ACTION </div></div>	<ul style="list-style-type: none">• Water resource management• Emission management• Waste management• Packaging management• Responding to climate change• Energy management

7.1. Responding to Climate Change

7.1.1 Governance

Climate change has become a major global topic. As a leader in the tea industry, Tenfu puts low-carbon green growth and responses to climate change at the forefront of sustainable development. In 2024, Tenfu has officially included climate change related matters into its scope of supervision by the Board, ensuring that climate change issues are integrated into the Group’s overall strategy formulation processes on an equal basis with other ESG issues. The Board has established the ESG Committee, which is responsible for reviewing and monitoring the implementation progress of climate change strategies, policies and targets. At the same time, we have introduced climate change mitigation and adaptation into the work scope of all relevant business departments, and have taken the stakeholders’ expectations of the Group regarding the response to climate change into consideration so as to improve the effectiveness of climate change issue management.

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7.1.2 Strategy and Risk Management

Climate-related risks include transition risks associated with a low-carbon economy and physical risks associated with the impacts of climate change. Based on our business characteristics as well as our strategic plans, we comprehensively identify and categorize the potential impacts of climate change risks, formulating a series of countermeasures to effectively manage climate-related risks.

Risk Category	Risk Name	Potential Effects	Management Measures
Physical risks	Sudden natural disasters and extreme weather	<ul style="list-style-type: none"> • Damage to facilities and equipment • Supply chain disruption 	<ul style="list-style-type: none"> • Formulating the Contingency Plan for Natural Disaster Public Emergencies, setting up an emergency response leadership team, conducting emergency drills on a regular basis to enhance our ability to respond to natural disasters • Avoiding single region procurement and establishing alternative suppliers to ensure the continuity of production operations
	Increase in average temperature	<ul style="list-style-type: none"> • Unsuitable storage environment for raw materials and finished products 	<ul style="list-style-type: none"> • Improving the accuracy of product shelf-life assessments, optimizing storage environments and ensuring product quality
Transition risks	Policy and legal risks	<ul style="list-style-type: none"> • Changes in climate and ESG related policies 	<ul style="list-style-type: none"> • To continue to scrutinize climate and ESG policy and regulatory trends in the places where we operate, strengthening ESG management and improving ESG performance
	Market risks	<ul style="list-style-type: none"> • Shifting consumer preferences 	<ul style="list-style-type: none"> • To actively adapt to market changes by providing greener and more eco-friendly products in order to meet the needs of consumers

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The Group views an energy-saving, low-carbon green production and operational model as the long-term mechanism to address the risks of climate change with energy management as the top priority. In strict compliance with the Energy Conservation Law of the PRC and other laws and regulations, we have constantly improved our energy management system, continued to introduce green energy projects such as photovoltaic power generation, and carried out energy conservation and carbon reduction work focusing on optimizing energy infrastructure and improving the efficiency of energy usage. In 2024, the photovoltaic power purchased and used by the Group was approximately 2,115.83 MWh, equivalent to a reduction in carbon dioxide emissions of 1,206.66 tonnes.

Energy Management Measures

Optimizing energy infrastructure:

- To continue to promote projects such as photovoltaic parking lots and photovoltaic rooftops to increase the proportion of renewable energy use
- Installing photovoltaic insect traps in tea gardens, installing additional eco-friendly and energy-saving facilities

Improving the efficiency of energy usage:

- Introducing and utilizing energy-saving and environmentally friendly equipment to improve the efficiency of energy usage
- Strengthening the electricity consumption management of public equipment, arranging for professional personnel to conduct inspections, and shutting down equipment while not in use in a timely manner in order to reduce energy wastage

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7.1.3 Metrics and Targets

The Group had set an energy efficiency target in 2020, which we fully achieved in 2023. During the Reporting Period, based on our actual production operations, we reviewed and evaluated our energy usage and related targets, and planned to set new practicable energy and carbon emission management targets in accordance with our business strategic planning, as well as formulated a climate action plan to chart Tenfu's path to addressing climate change. In 2024, the key performance indicators for the Group's energy usage and greenhouse gases are as follows:

Key Performance Indicators for Energy Use	2024	2023	2022
Energy consumption			
Direct energy consumption (MWh)	4,752.9	5,289.7	5,412.3
Of which: Natural gas (10,000 cubic meters)	32.7	38.6	39.5
Of which: Diesel (10,000 liters)	3.6	3.5	2.9
Of which: Petrol (10,000 liters)	8.5	8.6	9.7
Of which: Liquefied petroleum gas (tonnes)	8.05	/	/
Indirect energy consumption (MWh)	15,295.2	13,882.9	13,089.4
Of which: Purchased electricity (MWh)	15,295.2	13,882.9	13,089.4
Total energy consumption (MWh)¹	20,048.2	19,172.7	18,501.7
Intensity of energy consumption (MWh/RMB million income)	12.8	11.1	10.8
Greenhouse gases			
Direct GHG emissions (Scope 1) (tCO ₂ e)	2,236.0	1,113.1	1,137.8
Of which: Fossil fuel combustion(tCO ₂ e)	1,008.1	1,113.1	1,137.8
Of which: Emissions of refrigerant R22 from air conditioning (tCO ₂ e)	1,227.9	/	/
Of which: Emissions from the filling of carbon dioxide fire extinguishers (tCO ₂ e)	0.027	/	/
Energy indirect GHG emissions (Scope 2) (tCO ₂ e)	7,516.2	7,917.4	8,549.0
Of which: Purchased electricity (tCO ₂ e)	7,516.2	7,917.4	8,549.0
Total GHG emissions² (Scope 1 and scope 2) (tCO₂e)	9,752.2	9,030.5	9,686.8
Intensity of GHG emissions (tCO₂e/RMB million income)	6.2	5.2	5.6

Note:

1. The calculation of the total energy consumption is based on the quantity of purchased electricity, natural gas, diesel, gasoline consumption, the Default Values of Fossil Fuel Related Parameters and the Default Values of Fuel Densities as detailed in Appendix 1 and Appendix 2 of the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Food, Tobacco and Wine, Beverage and Refined Tea Enterprises issued by the National Development and Reform Commission.
2. GHG is accounted for in terms of carbon dioxide equivalent. For 2024 and 2023, it is accounted for according to the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Food, Tobacco and Wine, Beverage and Refined Tea Enterprises issued by the National Development and Reform Commission (NDRC), as well as the Ecological and Environmental Protection Bureau (EEPB)'s Notice on the Relevant Work on Reporting and Management of Greenhouse Gas Emissions by Enterprises in the Power Generation Industry in the Years 2023-2025. Regarding the GHG accounting for 2022, please refer to the Group's ESG report from 2022.
3. In the previous reporting periods, the Group's greenhouse gases arose from sources such as natural gas, diesel, gasoline and purchased electricity. During the Reporting Period, in order to improve the comprehensiveness of Scope 1 greenhouse gas accounting, the Group added new fugitive emissions sources such as fugitive refrigerant from air conditioning and refrigeration equipment and fugitive carbon dioxide from fire extinguisher filling.
4. The production activities of the Group are the production and processing of tea leaves and food, and do not involve any other environmental or natural resources, therefore, aspects A3 (Environment and natural resources) and A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable and are not disclosed in the Report.

7.2. Use of Resources

7.2.1 Water Resource Management

Tenfu places great importance on water resource management, strictly complying with the Water Law of the PRC and constantly improving our water resource management mechanisms. Following the philosophy of “water management by law, scientific utilization of water and conscious water conservation”, we have set targets for the effectiveness of water resources usage and carried out management year by year to ensure the rationality and sustainable use of water resources. We strive to improve the conservation, intensification and utilization standards of water resources and reduce the waste of water resources by adopting a series of water resource management measures. In 2024, the Group’s water consumption reached 219,031.5 tonnes, representing a decrease of approximately 4.35% as compared with 2021.

Target for Water Consumption Efficiency

- A decrease in water consumption of 5% in 2025 as compared with 2021

Water Resource Management Measures

Conservation of water resources:

- Performing pressure reduction procedures reducing the water pressure in factory areas in order to reduce water wastage
- Enhancing drainage inspection and leak prevention for hidden pipelines to prevent unnecessary water loss

Recycling of water resources:

- Recycling and reusing the coolant water from central air conditioners
- Rainwater collection for reuse in garden greenery irrigation within the plant area
- Collection of treated wastewater for use in garden greenery irrigation within the plant area

During the Reporting Period, the key performance indicators for the water resource consumption of the Group are shown in the table below:

Key Performance Indicators for Water			
Resource Consumption	2024	2023	2022
Water consumption (tonnes)	219,031.5	239,862.3	214,728.4
Intensity of water consumption (tonnes/RMB million income)	140.2	138.3	125.2

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7.2.2 Green Packaging

The Group has been continuously improving the level of green packaging, setting targets for packaging material management, and actively exploring the application of sustainable packaging such as optimization of packaging design, reduction of packaging materials and use of environmentally friendly packaging materials in an effort to reduce the environmental impact of packaging materials. In 2024, we used recyclable raw materials such as paper for the packaging of all of our new products, successfully achieving the packaging material management target set.

Packaging Material Management Target

- To use recyclable raw materials for 100% of our new products

Packaging Material Management Measures

Packaging material reduction:

- Responding to national standards, formulating the Solution on Tea Packaging Interspace Ratio to prevent overpackaging
- Optimizing packaging design to reduce the consumption of packaging materials on the premise of still ensuring the transport and storage of products, thereby continuing to reduce the amount of packaging material per unit

Using environmentally friendly packaging materials:

- Using our vest bags made from an environmentally friendly 2-in-1 biodegradable material (the biodegradable mark is the “Double JJ Mark”) to reduce the use of plastic packaging materials
- Compared with traditional foam materials, EPE pearl cotton has environmental advantages such as recyclability, light weight and reduction of harmful substances. Therefore, foam filling has been replaced by EPE pearl cotton to enhance the green nature of the packaging



Packaging material reduction



Environmentally friendly biodegradable vest bag



Vest bag is marked with the “Double JJ Mark” biodegradable logo

Using environmentally friendly packaging materials

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During the Reporting Period, the key performance indicators for the packaging material consumption of the Group are shown in the table below:

Key Performance Indicators for Packaging Material Consumption	2024
Packaging material used (tonnes) ¹	3,144.71
Intensity of packaging material usage (tonne/RMB million income)	2.01

Note:

1. In the year of 2024, the Group has included the packaging materials usage of all sold products into the accounting scope.

7.3. Green Operations

7.3.1 Pollution Prevention

Sewage Management

Tenfu places great importance on wastewater management and strictly follows laws such as the Prevention and Control of Water Pollution Law of the PRC, actively fulfilling the Integrated Wastewater Discharge Standard (GB 8978-1996) and the environmental protection regulations within the places where we operate. In order to further improve upon the efficiency and effectiveness of wastewater treatment, in 2024, we have entrusted a professional third-party organization to manage the established wastewater treatment station to ensure the effective treatment of production and domestic wastewater. At the same time, we rely on the existing 3 online sewage detectors to monitor water quality parameters in real time and to regularly collect samples to be submitted to the third-party for inspection, so as to keep abreast of the quality of sewage discharge and prevent environmental pollution incidents. In 2024, the Group's wastewater discharge is compliant with the relevant discharge standards of the places where its production and operations are located. According to third-party test results, wastewater discharge from our subsidiary Zhangzhou Tenfu Tea Industry Co., Ltd. has further met the Integrated Wastewater Discharge Standard (GB 8978-1996), Table 4, Level 1 emission standards.

During the Reporting Period, the key performance indicators for wastewater emissions of the Group are as shown in the table below:

Key Performance Indicators for Wastewater Emissions	2024	2023	2022
Amount of wastewater (10,000 tonnes)	18.8	20.4	18.3

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Waste Gas Management

The Group strictly abides by the Law of the PRC on the Prevention and Control of Atmospheric Pollution and other laws and regulations of the places where it operates, and continues to improve and optimize its waste gas management measures in order to ensure waste gas meets emission standards. Dust from the tea leaf production process is the main component of the emissions generated by the Group. In order to effectively control and reduce the emission of dust, we use a baghouse filter to treat exhaust gas, lowering atmospheric pollution. In addition, a small amount of business vehicles used in operational management also produce exhaust gas, we reduce air pollution by formulating efficient vehicle use strategies, advocating green travel and reducing the use of business vehicles.



During the Reporting Period, the key performance indicators for the Group's main waste gas emissions are as shown in the table below:

Key Performance Indicators for Waste Gas Emissions	2024	2023
Sulfur oxides (kg)	1.82	1.27
Particulate matter (kg)	115.80	/
Nitrogen oxides(kg)	239.27	/

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Waste Management

Tenfu follows the waste management principles of reducing, recycling and rendering harmless and strictly abides by the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, regulating the collection, storage and disposal of various waste to ensure waste disposal compliance. Hazardous waste such as waste lubricating oil and waste energy-saving bulbs are generated during our production and operation. During the Reporting Period, we conducted categorized collection of waste energy-saving bulbs and entrusted a third party to recycle and safely process them to reduce the impact on the environment. For domestic waste and other non-hazardous waste, we have also contracted third-party companies to transport them out for non-hazardous treatment through incineration and landfilling.

We actively advocate the recycling and utilization of waste as a resource. We collect non-hazardous recyclable waste such as waste materials, waste paper boxes and scrap metal for export and comprehensive utilization to reduce waste of resources. In addition, we compost waste residue and wastewater treatment sludge as organic fertilizer for fertilizing tea orchards, fully utilizing waste's value as a resource.

During the Reporting Period, the Group's key performance indicators for waste are as shown in the table below:

Key Performance Indicators for Waste		2024		
Hazardous waste				
Total Hazardous waste (tonnes)			0.10	
Emission Intensity of Hazardous waste (tonnes/RMB million income)			6.48*10 ⁻⁵	
Key Performance Indicators for Waste		2024	2023	2022
Non-hazardous waste				
Total non-hazardous waste (tonnes)		1,371.55	1,426.18	1,310.96
Emission Intensity of non-hazardous waste (tonnes/RMB million income)		0.88	0.82	0.76

7.3.2 Ecological Protection

The Group actively implements the developmental philosophy of "Environmental Consciousness" to maintain ecological balance and protect biodiversity. We have formulated the Tenfu Environmental Protection and Management System and the Tenfu Model Tea Garden Requirements and Regulations to clearly state the environmental management requirements in production and operation. We continue to promote the construction of pollution-free tea gardens and the use of organic fertilizers for tea leaf cultivation. In 2024, we have adopted the use of the mineral pesticide lime sulfur mixture in order to reduce our dependence on synthetic chemical pesticides and further reduce the potential negative impacts on the environment brought about by tea leaf cultivation. At the same time, we strengthened the technical training and promotion of green environmental protection concept for suppliers and farmers, and have worked with partners to jointly improve the quality of the ecological environment. In addition, we strictly limit the hunting and collection of wild animals and plants, and resolutely prohibit the logging of primary forests and secondary forests to protect the health and stability of the ecosystem.

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8. Appendix

8.1. Index of the ESG Reporting Guide of HKEX

Key Scope, Aspect, General Disclosures and Key Performance Indicators

Aspect	Content	Disclosure Chapter
A: Environment		
A1: Emissions	General disclosures:	"Deep Cultivation with Tea" Aiding the Environment, A
	Information on:	Long Journey with Tea
	(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.	
	<i>Note: Waste gas emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. Hazardous waste is as defined by national regulations.</i>	
	A1.1 The types of emissions and respective emissions data.	
	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).	
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.5 Description of the emission target(s) set and the steps taken to achieve them.	
	A1.6 Description of how hazardous and non-hazardous waste are handled, and a description of reduction target(s) set and steps taken to achieve them.	

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Key Scope, Aspect, General Disclosures and Key Performance Indicators

Aspect	Content	Disclosure Chapter
A2: Use of Resources	<p>General disclosures</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, and electronic equipment, etc.</i></p> <p>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).</p> <p>A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p>A2.3 Description of the energy use efficiency target(s) set and steps taken to achieve them.</p> <p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p> <p>A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<p>"Deep Cultivation with Tea" Aiding the Environment, A Long Journey with Tea</p>
A3: The Environment and Natural Resources	<p>General disclosures</p> <p>Policies on minimizing the issuer's significant impacts on the environment and natural resources.</p> <p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>"Deep Cultivation with Tea" Aiding the Environment, A Long Journey with Tea</p>
A4: Climate Change	<p>General disclosures</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p> <p>A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</p>	
B: Society		
B1: Employment	<p>General disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>"Flowing with the Tea" People-Oriented, Spreading the Essence of Tea Across the Globe</p>

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Key Scope, Aspect, General Disclosures and Key Performance Indicators

Aspect	Content	Disclosure Chapter
B2: Health and Safety	<p>General disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>B2.2 Lost days due to work injury.</p> <p>B2.3 Description of the occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>"Flowing with the Tea" People-Oriented, Spreading the Essence of Tea Across the Globe</p>
B3: Development and Training	<p>General disclosures</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid for by the employer.</i></p> <p>B3.1 The percentage of employees trained categorized by gender and employee category (e.g. senior management, middle management).</p> <p>B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>"Flowing with the Tea" People-Oriented, Spreading the Essence of Tea Across the Globe</p>
B4: Labor Standards	<p>General disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.</p> <p>B4.1 Description of measures to review employment practices to avoid child and forced labour.</p> <p>B4.2 Description of steps taken to eliminate such practices when discovered.</p>	<p>"Flowing with the Tea" People-Oriented, Spreading the Essence of Tea Across the Globe</p>
B5: Supply Chain Management	<p>General disclosures</p> <p>Policies on managing environmental and social risks of the supply chain.</p> <p>B5.1 Number of suppliers by geographical region.</p> <p>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.</p> <p>B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p> <p>B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	<p>"Tea-Oriented" Quality is the Top Priority, Creating Excellent Tea</p>

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Key Scope, Aspect, General Disclosures and Key Performance Indicators

Aspect	Content	Disclosure Chapter
B6: Product Responsibility	<p>General disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>B6.1 Percentage of total products sold or shipped subjected to recalls for safety and health reasons.</p> <p>B6.2 Number of products and service-related complaints received and how they are dealt with.</p> <p>B6.3 Description of practices relating to observing and protecting intellectual property rights.</p> <p>B6.4 Description of quality assurance process and recall procedures.</p> <p>B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.</p>	<p>"Tea-Oriented"</p> <p>Quality is the Top Priority, Creating Excellent Tea</p>
B7: Anti-corruption	<p>General disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p> <p>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.</p> <p>B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.</p> <p>B7.3 Description of the anti-corruption training provided to directors and staff.</p>	<p>"Tea as a Strategy"</p> <p>Responsibility-Oriented, Inheriting Sustainable Tea Practices</p>
B8: Community Investment	<p>General disclosures</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests.</p> <p>B8.1 Focal areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sports).</p> <p>B8.2 Resources contributed (e.g. money or time) to the focus area.</p>	<p>"Flowing with the Tea" People-Oriented, Spreading the Essence of Tea Across the Globe</p>

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8.2. Verification Statement



Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by Tenfu (Cayman) Holdings Company Limited (“Tenfu”) to conduct an independent verification for its Sustainability Disclosures (the “selected disclosures”) stated in its Sustainability Report 2024 (“the Report”). The selected disclosures covered the period from 1st January 2024 to 31st December 2024 and represented the sustainability performance of Tenfu.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Level of Assurance and Methodology

HKQAA’s verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Tenfu is responsible for the organization’s information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Tenfu for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between Tenfu and HKQAA.



Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Tenfu that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to examining the raw data or information for the selected disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the Report has not been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to be 'K.T. Ting', is written over a horizontal line.

K.T. Ting
Chief Operating Officer

21 March 2025

Ref: 14948062 -VER

Environmental, Social and Governance Report

8.3. Form of Readers’ Feedback

Thank you for reading the Group’s 2024 Environmental, Social and Governance Report of Tenfu (Cayman) Holdings Company Limited. In order to better provide stakeholders with valuable information and improve our ability and level of social responsibility fulfilment, the Group sincerely invites you to give your valuable comments and suggestions on this Report.

You may fill in this feedback form and forward it to the following email: ESG@tenfu.com

Your overall evaluation of the Group’s ESG report:

- ☐ Extremely satisfactory
- ☐ Very satisfactory
- ☐ Satisfactory
- ☐ Not quite satisfactory
- ☐ Not satisfactory

Your evaluation of the Group’s performance of its ESG responsibilities:

- | | | | |
|------------------------------|---|--|---------------------------------------|
| Economic responsibility | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |
| Social responsibility | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |
| Environmental responsibility | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |

Do you think this Report is capable of reflecting the impact of the Group’s social responsibility practices on the economy, society and environment?

- ☐ Very capable of reflecting it
- ☐ Quite capable of reflecting it
- ☐ Generally capable of reflecting it
- ☐ Not quite capable of reflecting it
- ☐ Not capable of reflecting it

In your view, how is the clarity, accuracy and comprehensiveness of the information, data and indicators disclosed in this Report?

- | | | | |
|-------------------|---|--|---------------------------------------|
| Clarity | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |
| Accuracy | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |
| Comprehensiveness | <input type="checkbox"/> Extremely satisfactory | <input type="checkbox"/> Very satisfactory | <input type="checkbox"/> Satisfactory |
| | <input type="checkbox"/> Not quite satisfactory | <input type="checkbox"/> Not satisfactory | |

Do you find the content arrangement and layout of this Report easy to read?

- ☐ Yes
- ☐ Fair
- ☐ No

Your other comments and suggestions regarding the Group’s ESG work and this Report: