



**HAIDILAO INTERNATIONAL HOLDING LTD.**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6862



**2024**

**Environmental, Social and Governance Report**

# Contents

INTRODUCTION OF THE REPORT	03
ABOUT US	05
SUSTAINABILITY STRATEGY	07

## 01 TAKING FOOD SAFETY AS A TOP PRIORITY

Focusing on Food Safety	13
Improving Food Quality	24
Co-building a Responsible Supply Chain	29



## 02 THOUGHTFUL SERVICE

Crafting Thoughtful Service	39
Safeguarding Consumer Rights	43

## 03 PEOPLE-ORIENTED

Adhering to Compliant Employment	47
Protecting Employee Rights	49
Creating a Safe Workplace	52
Empowering Employee Development	56

## 04 GREEN DEVELOPMENT

Tackling Climate Change	59
Pursuing Green Operation	63

## 05 EMPOWERING THE COMMUNITY

Empowering Community Development	71
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## 06 OPERATING WITH INTEGRITY

Corporate Governance and Risk Control	77
Business Ethics and Anti-corruption	79

## APPENDIX 81

APPENDIX I KPI TABLES	81
APPENDIX II INDEX OF ESG REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE	84

# INTRODUCTION OF THE REPORT

The Environmental, Social and Governance (ESG) Report for 2024 of Haidilao International Holding Ltd. (hereinafter referred to as “the report” or “this report”) is the seventh annual report and environmental, social and governance (ESG) report released by Haidilao International Holding Ltd.. The report aims to disclose the Company’s management system, highlight initiatives and practice effectiveness in 2024 in environmental, social and governance aspects.

## Time Range

The report covers the period from January 1, 2024 to December 31, 2024. Certain content may fall beyond the aforesaid period range for maintaining information consistency and completeness.

## Organizational Scope

The subject of the report is Haidilao International Holding Ltd., comprising its associates and subsidiaries. For clarity and readability, “Haidilao International Holding Ltd.” and its associates and subsidiaries are referred to as “Haidilao”, “the Group”, “the Company” or “we/us” in this report.

## Reporting Principles

### Materiality

The Board determines the materiality of our ESG issues and is responsible for reviewing the Company’s ESG goals and strategies. The disclosure of the report covers communication with stakeholders, materiality issue identification and analysis, materiality issue matrix and process and outcome of participation of material stakeholders.

### Quantitative

Statistical standards, methods, assumptions, calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of the report.

### Balance

This report shall provide an unbiased picture of the Company’s performance for the year and should avoid any inappropriate descriptions, omissions or presentation formats that may influence the decision or judgment made by the report readers.

### Consistency

The statistical methodologies applied to the data disclosed in this report shall be consistent with those of last year. Any changes will be clearly explained and stated in the report for reference by report readers.



## Basis of Preparation

- United Nations Sustainable Development Goals (UN SDGs)
- The Environmental, Social and Governance Reporting Code in Appendix C2 to the Listing Rules on Hong Kong Exchanges and Clearing Limited

## Description of Data

All information and data in this report are derived from Company annual report, internal formal document, internal statistics and public information. Certain financial data are from the financial statements of FY2024. In case of discrepancy between this report and the annual report, the latter shall prevail. Unless otherwise stated, the amounts in this report are denominated in Renminbi ("RMB"). The Board takes responsibility for the truthfulness, accuracy and completeness of this report.

## Access to the Report

This report is prepared in both traditional Chinese and English. In case of discrepancy in understanding, the traditional Chinese version shall prevail. The report is available for reviewing or download on the website of HKEX (<https://www.hkex.com.hk>) and the official website of Haidilao (<https://www.haidilao.com>).

## Contact

If you have any questions or feedback regarding the report, or suggestions for improving Haidilao's sustainability efforts, please feel free to contact us through the following channels:

Customer service hotline: 4009-107-107

Customer service email: [hdl@haidilao.com](mailto:hdl@haidilao.com)

Media enquiry email: [media@haidilao.com](mailto:media@haidilao.com)

# ABOUT US

## Company Profile

Haidilao was founded in 1994. Over three decades of development, the Company has grown into an internationally renowned catering enterprise. Upholding the principle of integrity in business, Haidilao prioritizes the stable quality and safety of food, providing consumers with more attentive services and healthier, safer, more nutritious, and more reliable food. By the end of 2024, there were 1,345 Haidilao restaurants (including 13 franchised restaurants) in mainland China, and 23 in Hong Kong, Macau, and Taiwan regions. Throughout the year, self-operated Haidilao restaurants in the Greater China region served over 415 million customers in total.

Guided by the philosophy of “Leading the Happy Food Culture”, we remain customer-centric, offering carefully selected products and innovative services to create joyful hot pot experiences and promote healthy hot pot dining culture to food enthusiasts worldwide.


In the future, Haidilao will continue to advance its diversified development strategy, actively building a multi-brand, multi-format catering ecosystem. On one hand, we will expand our existing hot pot business with multiple catering scenarios such as single-servings high-quality fast food, campus hot pot, camping hot pot, enterprise hot pot, and Haidilao private dining rooms. On the other hand, we will explore other catering formats, such as YEAH QING BBQ, BarBecue ( 火焰官 ), Xiao Hai Huoguo, and Brother Miao Fish & Shrimp Pot ( 苗師兄魚蝦鍋 ), to meet the needs of different scenarios and consumer groups. Through scientific management, we aim to create a comprehensive catering platform covering dine-in, delivery, and fast-moving consumer goods, driving the healthy growth of our brand and offering global consumers more diverse food choices and delightful dining experiences.

By the end of 2024, there were



**1,368** Haidilao restaurants  
(including 13 franchised restaurants)  
in the Greater China region

Throughout the year, self-operated Haidilao  
restaurants in the Greater China region served over



**415** million customers in total



## Honors and Recognition

With years of dedication to the catering industry, we are committed to providing high-quality food and services, upholding integrity in business, and actively fulfilling social responsibilities. Therefore, we received high recognition and commendations from society in 2024.

### 2024 Haidilao Brands and Marketing Awards (Partial)

**Gold Award for "China's Best Managed Companies"**

Deloitte

**Most Recommended Brand by Customers**

Chnbrand

**2024 "World's Leading Strongest Restaurant Brand"**

Brand Finance

**2024 Fortune China 500**

Fortune China

**2024 Kantar BrandZ Top 100 Most Valuable Chinese Brands**

Kantar BrandZ

**ROI Awards**

ROI Organizing Committee

**Outstanding Award in Brand Integration**

Ocean Engine

**Gold Award for Integrated Marketing - Catering Industry**

Weibo

**Annual Influential Brand at the Catering Industry Conference**

Meituan

**Silver Award for Digital Media Integration**

Golden Mouse

**Global No. 1 Hot Pot Brand**

Frost & Sullivan

**2024 Best Industry Impact Award**

Tencent Advertising

**2024 Annual Top 10 Philanthropic Enterprises**

Phoenix New Media

**2024 Weibo Annual Innovation Award for Intangible Cultural Heritage Promotion**

Weibo

Haidilao has established the "Hi Food Safety ( 嗨食安 )" model, involving full-chain, comprehensive, and full-employee participation in food safety management, earning several honors in the area of food safety:

Selected as an "Innovative Practice Case for Corporate Food Safety Responsibility" by the State Administration for Market Regulation

Seven-Star Awards for Food Safety by the China Food Health Seven-Star Convention Alliance

Haidilao has been awarded multiple honors for its efforts in promoting the standardization and commercialization of Guizhou Leishan Fish Sauce Paste ( 貴州雷山魚醬酸 ), a traditional intangible cultural heritage ingredient, contributing to rural revitalization and fulfilling its social responsibilities:

2024 China Catering Industry ESG Excellence Case by the World Federation of Chinese Catering Industry

2024 National Consumer Innovation Case - Theme Consumption by People's Daily

# SUSTAINABILITY STRATEGY

## Board Statement

Haidilao, with a strong sense of corporate citizenship, is committed to integrating sustainable development deeply into its management structure and daily operations, pursuing harmony between the enterprise, society, and the environment.

As the highest decision-making body, the Board is responsible for setting the overall ESG direction of the Group, approving the results of ESG materiality assessments, regularly reviewing the progress of ESG management goals, leading and monitoring the sustainable development performance of the Company, and taking accountability for ESG matters. When formulating and adjusting management policies, the Board fully considers identified ESG risks and opportunities, prioritizing the improvement of highly material issues to ensure the effective implementation of the sustainable development strategy.

Relying on a robust ESG governance structure, we continue to advance the implementation of ESG goals, enhancing our ESG management capabilities and performance. In daily operations, Haidilao integrates ESG principles with corporate development strategies, achieving routine ESG management and ensuring alignment between ESG goals and brand values, as well as close integration with departmental operations and employees.

This year, we have made significant progress in ESG management and improved systems across compliance operation, product responsibility, employee management, supply chain, environmental protection, and charitable initiatives. We have also actively promoted special programs such as energy-saving equipment optimization, employee welfare programs, and supplier support, achieving ESG goals in food safety, occupational health, and environmental management.

Looking ahead, Haidilao will continuously sharpen its core competitiveness and elevate its brand influence, striving to become an industry-leading chain catering enterprise in which consumers put trust and employees take pride, setting sustainability industry benchmarks and demonstrating unique sustainable value.

This report discloses detailed information on the progress and results of the Company's ESG work in 2024, and was reviewed and approved by the Board on March 25, 2025.

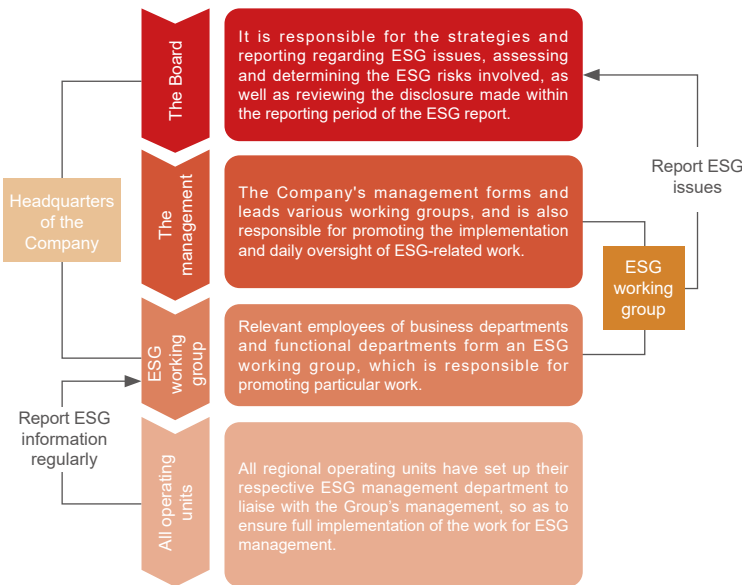
## ESG Governance

Haidilao fully integrated sustainable development concepts into its daily business operations and has established a three-level sustainable development structure of "decision-making, execution and practice", with clear authorities, hierarchical management and accountability. We achieved the Board's high-level involvement in ESG governance through a collaborative mechanism, ensuring process-oriented, standardized and routine ESG management.

As the decision-making body, the Board is responsible for determining material ESG issues for the Company, regularly reviewing ESG progress and target achievement, and approving the final version of the Company's ESG report. As the execution body, the management and the ESG working group are accountable for driving the execution of ESG initiatives, auditing, evaluating and monitoring sustainability performance across operational units and submitting improvement recommendations to the Board. Operational units, as the execution level, collaborate with the ESG working group to implement specific ESG measures and submit relevant data and reports in a timely manner.

To advance ESG oversight, the Board has designated an ESG working group to be fully responsible for the implementation of ESG strategies and supervising operational units in integrating ESG principles and values into the Group's decision-making system. Additionally, the Company has formulated the Haidilao Management Measures for ESG Working Group to further clarify the responsibilities and operational mechanisms of the working group. The ESG working group comprises professionals from various business and functional departments, regularly reporting ESG-related matters and progress to the Board.

ESG Management Mechanism of Haidilao



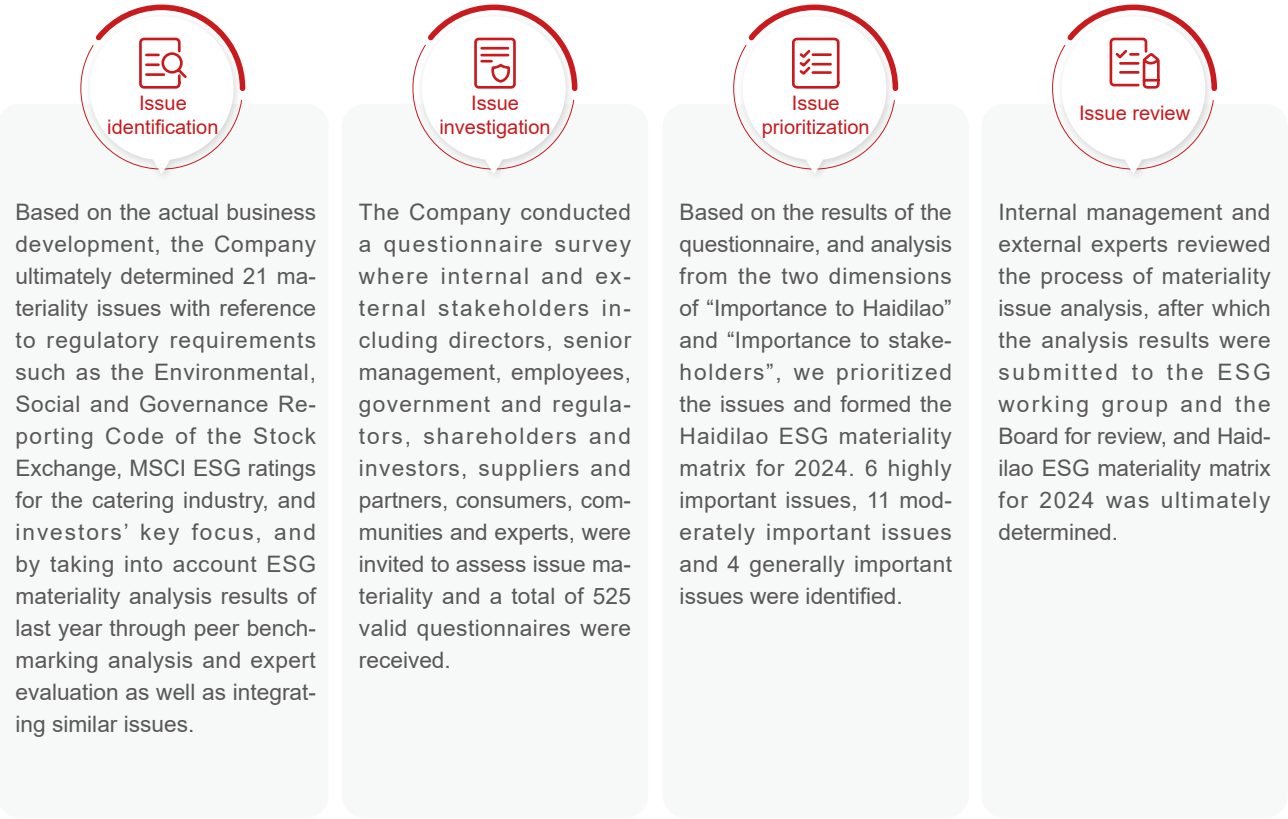
# Communication with Stakeholders

Haidilao attaches great importance to communication with stakeholders and takes in full consideration the opinions of stakeholders in daily operations. This year, we maintained effective communication and exchanges with each of our stakeholders through diverse channels to fully understand their expectations and demands for ESG issues, so as to keep improving our internal system and management measures and responding actively to stakeholders' requirements.

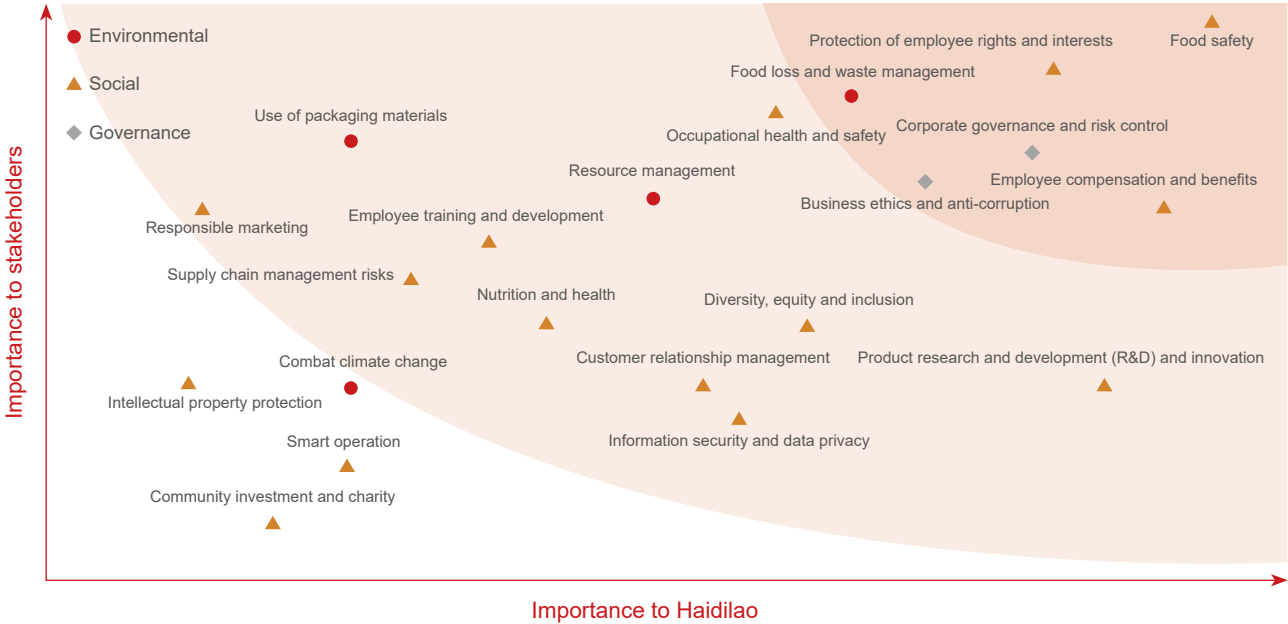
Stakeholders	Expectations and Demands	Communication Channels	Our Responses
 <b>Shareholders/ investors</b>	<ul style="list-style-type: none"> <li>Stable business development</li> <li>Compliance and integrity operation</li> <li>Accurate and transparent information disclosure</li> <li>Zero risk of food safety</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting and other general meetings</li> <li>Corporate communications such as letters/circulars to shareholders and notices of meetings</li> <li>Shareholders/investor conferences, roadshows and other activities</li> <li>Dedicated email for investor relations</li> <li>Websites of the Stock Exchange/the Company</li> <li>Regular information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Constantly enhancing corporate value</li> <li>True, reliable and timely information reporting and disclosure</li> <li>Establishing and maintaining effective communication channels</li> </ul>
 <b>Government/ regulators</b>	<ul style="list-style-type: none"> <li>Legal and compliance operation</li> <li>Sound internal control and risk management</li> <li>Accurate and transparent information disclosure</li> <li>Responsible public company image</li> <li>Safe operation</li> </ul>	<ul style="list-style-type: none"> <li>Regular information reporting</li> <li>Conferences/symposiums</li> <li>Routine communication</li> <li>File issuance and submission/on-site guidance</li> <li>Compliance report</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing internal regulation and compliance operation</li> <li>Responding to relevant enquiries in a timely manner</li> <li>Pre-communication of key matters</li> </ul>
 <b>Consumers</b>	<ul style="list-style-type: none"> <li>Food safety and hygiene</li> <li>Food quality and diversity</li> <li>Customer service experience</li> <li>Nutritious and healthy food</li> <li>Customer privacy protection</li> <li>Value-added services</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys and feedback forms</li> <li>Service complaint and response</li> <li>Feedback on the Company's official website</li> <li>Restaurant service communication</li> <li>After-sales evaluation of the Haidilao membership shop</li> <li>Customer service centre and hotlines</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining a system and the management for food safety</li> <li>Implementing strict control over food ingredients procurement</li> <li>Providing personalized services</li> <li>Regularly inspecting feedbacks from members</li> <li>Optimizing dining environment</li> <li>Safeguarding consumers' rights and interests</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Protecting the legitimate rights and interests of employees</li> <li>Occupational health and safety</li> <li>Improving the remuneration and benefits of employees</li> <li>Providing fair employment opportunities</li> <li>Providing training and development</li> </ul>	<ul style="list-style-type: none"> <li>Labor contracts and rules and regulations</li> <li>Employee service center</li> <li>Employee communication conference</li> <li>Employee activities</li> <li>"Haihaoyouni" internal online platform</li> </ul>	<ul style="list-style-type: none"> <li>Fair recruitment</li> <li>Providing abundant training programs</li> <li>Optimizing occupational development channels</li> <li>Employee benefits, and support to employees in need</li> <li>Listening to the feedback of employees</li> <li>Ensuring employee health and safety</li> <li>Further developing the supply chain company</li> </ul>
 <b>Suppliers/partners</b>	<ul style="list-style-type: none"> <li>Building sustainable partnerships and fair procurement policy</li> <li>Fulfillment of promises</li> <li>Collaborating to achieve a win-win situation</li> </ul>	<ul style="list-style-type: none"> <li>Regular conferences with suppliers</li> <li>Supplier/contractor assessment system</li> <li>On-site inspection</li> </ul>	<ul style="list-style-type: none"> <li>Exercising stringent management of supply chains</li> <li>Implementing fair and open procurement</li> <li>Annual suppliers conference</li> </ul>
 <b>Community/public</b>	<ul style="list-style-type: none"> <li>Organizing activities for community charity</li> <li>Promoting community harmony</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Community investment programs</li> <li>Participating in public welfare activities</li> <li>Party construction work</li> </ul>	<ul style="list-style-type: none"> <li>Organizing volunteering activities</li> <li>Fulfilling corporate social responsibility</li> <li>Organizing public welfare activities</li> </ul>
 <b>Environmental protection groups</b>	<ul style="list-style-type: none"> <li>Adhering to green operation</li> <li>Advocating the concept of environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of environmental information</li> <li>Organization of environmentally friendly activities</li> <li>Results announcement</li> </ul>	<ul style="list-style-type: none"> <li>Advocating the concept of green operation</li> <li>Strictly managing treatment of kitchen wastes</li> </ul>

# Analysis of Material Issues

To further clarify the Company's key ESG issues and fully understand stakeholders' expectations and demands on us, and enhance the relevance and responsiveness of ESG report, the Company performed material issues assessment as per the following process in 2024:






Haidilao ESG Materiality Matrix for 2024





Based on the results of the materiality analysis, the Company focused on and primarily disclose high-importance issues in this report to reflect our priorities in ESG work and respond to stakeholder concerns.

Importance	Issues	Addressed in Sections
 Highly Important Issues	Food safety	Taking Food Safety as a Top Priority
	Protection of employee rights and interests	People-oriented
	Employee compensation and benefits	People-oriented
	Corporate governance and risk control	Operating with Integrity
	Food loss and waste management	Green Development
	Business ethics and anti-corruption	Operating with Integrity
 Moderately Important Issues	Occupational health and safety	People-oriented
	Product research and development (R&D) and innovation	Taking Food Safety as a Top Priority
	Resource management	Green Development
	Diversity, equity and inclusion	People-oriented
	Customer relationship management	Thoughtful Service
	Employee training and development	People-oriented
	Nutrition and health	Taking Food Safety as a Top Priority
	Information security and data privacy	Thoughtful Service
	Use of packaging materials	Green Development
	Supply chain management risks	Taking Food Safety as a Top Priority
	Responsible marketing	Thoughtful Service
 Generally Important Issues	Combat climate change	Green Development
	Smart operation	Taking Food Safety as a Top Priority
	Intellectual property protection	Taking Food Safety as a Top Priority
	Community investment and charity	Empowering the Community



# 01 TAKING FOOD SAFETY AS A TOP PRIORITY

Food safety is the cornerstone for orderly development of players in the catering industry. Adhering to its “customer-oriented” philosophy, Haidilao ensures every step, from sourcing to dining, meets the highest standards through rigorous supply chain management, innovative digital technologies and a transparent end-to-end traceability system. By continuously elevating food safety standards, we deliver higher quality and healthier dining experience for consumers.

- Focusing on Food Safety ----- 13
- Improving Food Quality ----- 24
- Co-building a Responsible Supply Chain ----- 29

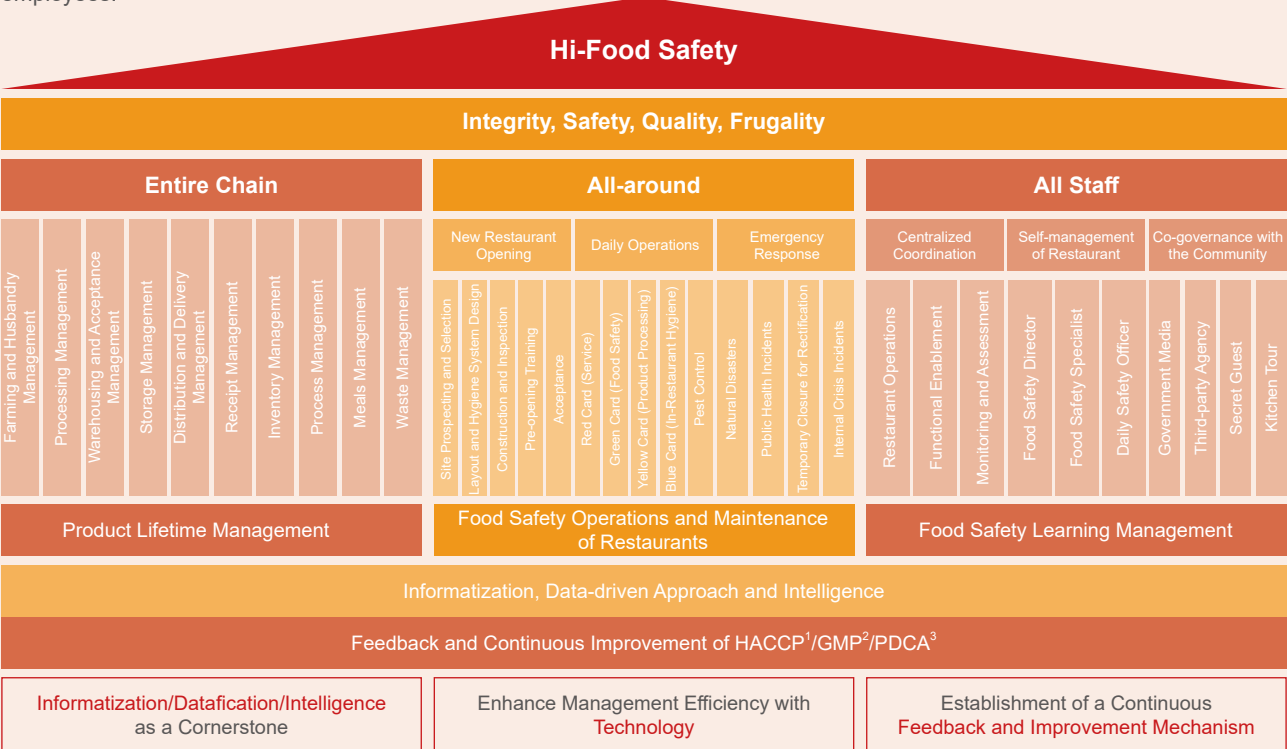
Alignment with SDGs:



## Focusing on Food Safety

Haidilao strictly complies with relevant laws and regulations, such as the Food Safety Law of the People's Republic of China, Regulations on Food Safety of Catering Services and overseas laws and regulations, complies with management regulations and rules on Practice for food safety of countries and regions where it operates, earnestly performs and assumes primary responsibilities for food safety in catering services, and proactively accepts supervision from government authorities, consumers and the public.

Haidilao has always regarded food quality and safety as its priority. Guided by the concept of continuous improvement, we have implemented internationally advanced food safety management systems, modern production technologies and equipment. Through Hazard Analysis and Critical Control Points certification, we have established a full-process food safety control system covering every step from ingredient procurement, storage and processing to packaging, transportation and sales. We have established a “full-chain, all-dimension and all-staff” “Hi-Food Safety ( 嗨食安 )” system that ensures genuine food safety at the highest standards through a rigorous closed-loop food safety management process and the active participation of over 100,000 employees.



## Food Safety Management System

Haidilao has established a comprehensive and rigorous food safety system to comprehensively safeguard food quality and safety.

### Food Safety System

Our food safety system is based on the ISO 22000 Food Safety Management System certification, covering end-to-end management from ingredient procurement, storage, and transportation to in-restaurant production. We have established a comprehensive food safety management system and appointed dedicated food safety and quality management personnel to strictly enforce self-inspection protocols and regularly inspect and evaluate food safety conditions. Additionally, we continuously optimize restaurant design and introduce advanced technologies to ensure all-round food safety and quality.

<sup>1</sup> HACCP: Hazard Analysis and Critical Control Point.

<sup>2</sup> GMP: Good Manufacturing Practice.

<sup>3</sup> PDCA: A widely applied circular management approach to quality management, continuous improvement, and problem solving, which consists of Plan, Do, Check, and Act.

**Clear and explicit accountability**

We hold our restaurant managers and staff accountable for food safety, quality and hygiene. We achieve all-employee management and all-staff compliance through a food safety scoring and appraisal system that assigns responsibilities to individuals.

**Sound documentation system**

We have built and continue to improve a robust food safety management system by establishing health management documents for employees, food self-inspection systems, raw material control requirements, process control requirements, day-to-day training requirements and pest control systems.

**Standard operational procedures**

We develop product procurement requirements, establish product processing and operation procedures and create employee handbooks outlining essential knowledge and skills to realize the concept of controlling food safety from farm to table. Clear guidelines are set for food waste disposal, product recalls, employee health and hygiene, and emergency response protocols for food safety incidents.

**Systematic cleaning and inspection**

We implement a systematic cleaning and disinfection plan, unannounced internal audits, and evaluations by professional third-party auditors to drive continuous improvement.

**Restaurant**

- To ensure the comprehensiveness and systematic nature of food safety management, the restaurant has formulated and implemented 12 categories of food safety management system documents, covering key areas such as food safety incident handling, raw material control, process control, purchased goods inspection, health management, personnel management, pest control, kitchen waste disposal, food additive management, cleaning and maintenance of premises and facilities, training and assessment, etc.
- Relevant documents include but are not limited to the Haidilao Restaurant Manual for Food Safety Management, Haidilao Restaurant Specification for Food Safety and Hygiene Design, Haidilao Restaurant Plan of Food Protection, Regulations on the Management of Routine Waste Disposal, Emergency Response Plan for Restaurants, Regulations on the Management of Food Safety Training for New Restaurants, Administrative Regulations on the Application for Haidilao Health Certificate, Plans and Methods for Disinfection of Different Areas, Required Technical Knowledge and Skills for Different Positions, Risk Assessment Regime for Restaurant Safety and Food Safety Innovation Projects, and Regulations on the Management of Transparent Kitchen, etc.
- This year, we newly formulated the Haidilao New Product Launch Evaluation and Failure Management.

**Supply Chain**

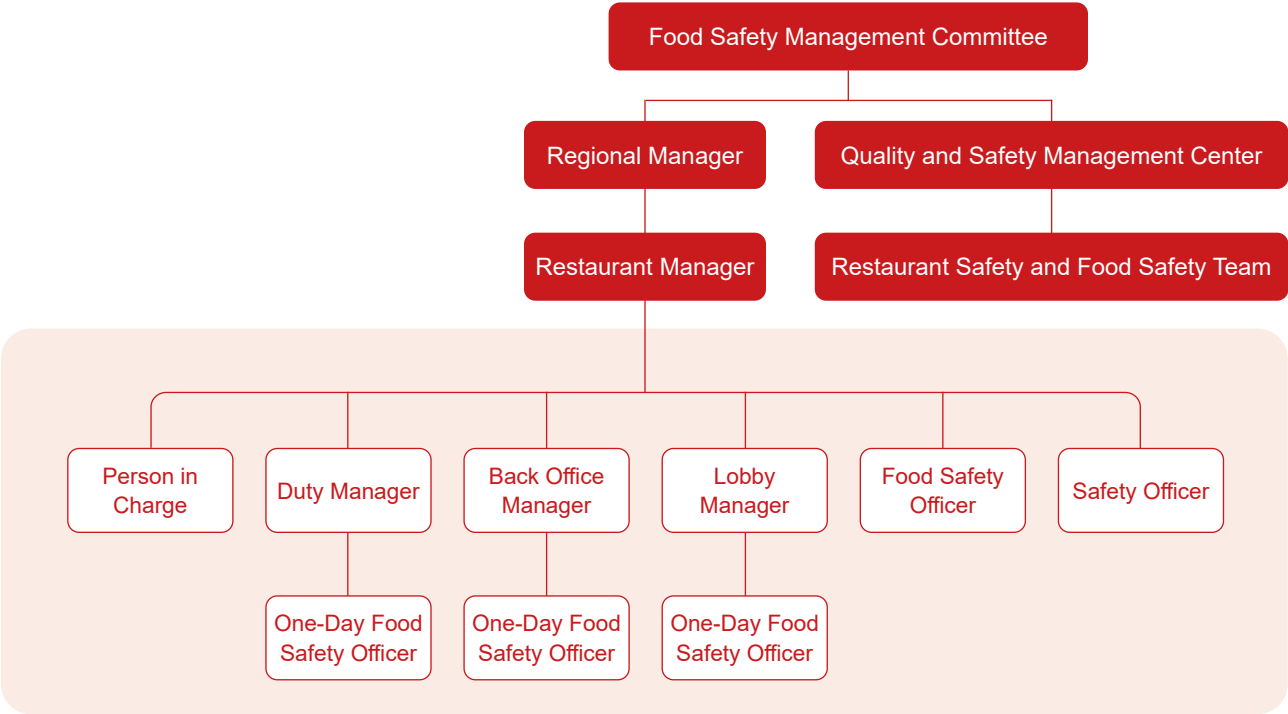
- To ensure comprehensive coverage of food safety management in the supply chain, we have formulated 23 food safety management system documents, covering key areas such as supplier management, product quality control, unqualified product handling, emergency response, media incident handling and product recall.
- Relevant documents include but are not limited to Haidilao Regulations on the Management of Proofs and Receipts to Food Suppliers, Haidilao Group Regime for Supplier Review Management, Measures for Handling Suppliers Unqualified in On-site Review or Pending Improvement, Haidilao Regulations on the Management of Supplier Reviewers, Emergency Response System for Non-Conformance in Sampling Inspection of Haidilao Supply Chain, Regime for Standard Formulation and Control of Raw and Auxiliary Materials, and Haidilao Administrative Regulations on the Development and Suppliers of Innovative Brand Products.
- This year, we newly formulated Haidilao Group Management Regime for Suppliers of Class A Materials, and revised Measures for Handling Suppliers Unqualified in On-site Review, Measures for the Management of Unqualified Food Materials and Supplies in Haidilao Supply Chain, Emergency Response System for Media Incidents Relating to Food Safety in Haidilao Supply Chain, Haidilao Regime for Recalling Supply Chain Products.



Main Responsibility of Food Safety

Haidilao strictly complies with the Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety by Enterprises and has formulated the Main Responsibility Management System for Food Safety of Haidilao Group, implementing the main responsibility system for food safety for catering services and strictly assigning food safety responsibilities to each position in a hierarchical and categorized manner.

We oversee food safety at the board level through a Food Safety Management Committee chaired by the Chief Executive Officer as the primary accountable officer, who directly reports to the Board and deals with major food safety issues. The Group's Quality and Safety Management Center continuously conducts supervision, assessment, and improvement of the supply chain, central kitchens, and restaurants from the perspectives of risk monitoring, public opinion warning, and technical service support. The performance appraisals of the Quality and Safety Management Center's directors, managers, supervisors, and specialists are all linked to food safety-related indicators. In addition, we appoint food safety officers in each of our restaurants to carry out daily inspections, weekly reporting and monthly scheduling, to ensure comprehensive and strict implementation of the food safety systems and procedures.





## Food Safety Management System

Haidilao has built an all-round, intelligent food safety management system through the Food Safety Responsibility System, Restaurant Quality and Safety Information System, Intelligent Monitoring and Identification System, and Pest Management Platform, achieving fully digital management from task execution to risk monitoring, and ensuring efficient, transparent, and traceable food safety efforts.



### Food Safety Responsibility System

Through the “daily control, weekly inspection, monthly scheduling” self-inspection mechanism, we ensure the routine operation of restaurant food safety work. Meanwhile, we summarize the month’s work and assign tasks through monthly scheduling meetings, forming a closed-loop management of “self-inspection for issue identification→rectification→task assignment→task follow-up→check→verification.” Food safety officers are responsible for task execution, while restaurant managers review and supervise the execution. The task calendar visually displays daily tasks and their status, achieving transparent, standardized, and efficient management of food safety. During the reporting period, the average qualification rate of various tasks in the system exceeded 99%.



### Restaurant Quality and Safety Information System

This system is a unified management platform for restaurants nationwide, integrating 12 modules of food safety and production safety management. It pushes daily quality and safety inspection tasks and supports mobile Feishu interaction. As a self-developed unified backend, the system integrates the management functions of systems such as “Restaurant Intelligent Monitoring” and “Restaurant Food Safety Responsibility,” achieving resource sharing and permission synchronization. In 2024, the system pushed an average of over 60 tasks per month, with a restaurant rectification completion rate of over 95%.



### Restaurant Intelligent Monitoring and Identification System

AI algorithms automatically identify restaurant improper operations and push alarm information to restaurant management personnel in real time. In 2024, 20 algorithms were launched, covering scenarios such as rodent detection, improper employee operations, and equipment obstruction. The identification accuracy rate exceeded 90%, with a 100% information delivery rate.



### Pest Management Platform

A WeChat mini-program standardizes the pest control service process, forming a closed-loop management of “problem identification→rectification→verification”. It automatically identifies pests such as rodents and mosquitoes, providing data support for targeted improvements and enhancing restaurant food safety management efficiency.



## Establishing Enterprise Standards

### Processed product standard formulation

- Processed food is one of Haidilao's core products, and its production relies on the professional, standardized, safe, and hygienic production capabilities of associates and third-party food factories. To ensure the safety and stability of processed products, Haidilao has formulated strict acceptance standards and management systems.
- During processing, we conduct comprehensive evaluations of food, focusing on the cooking time of dishes, the use of main ingredients, and the limited control of allergens to ensure their rationality and safety.

### Standardized management on the supply chain side

- On the supply chain side, we have established a comprehensive food safety management system, formulating 23 food safety-related systems covering the entire process from supplier access, audit, arrival acceptance, to exit. Simultaneously, we have formulated 255 internal factory product processing specifications, 18 special product processing specifications for internal factories, and 2,900 material acceptance standards, and clarified 15 internal factory processing and distribution specifications, ensuring that every step from raw materials to finished products has rules to follow.

### Scientific testing methods

- We have formulated multiple internal testing and acceptance criteria focusing on food safety risks, covering raw materials, processes, physicochemical indicators, finished products, and other dimensions. Starting from the procurement source, we strictly monitor food safety indicators, including pathogens, pesticide residues, veterinary drug residues, illegal additives, pollutants, and food additives, ensuring all indicators meet safety standards.

### Full-coverage of hygiene and safety management

- To ensure the hygiene and safety of catering services on both the restaurant and supply chain sides, we have implemented all-round hygiene and safety management measures to prevent food from being contaminated by foreign material and being affected by environmental hygiene. The management scope covers food procurement, storage, processing, supply, distribution, as well as the cleaning and disinfection of tableware, food containers, and tools.
- We have standardized foreign material control measures for restaurants and suppliers during production, strictly prohibiting non-food-related operations in special areas and special operation zones. Meanwhile, we have clarified hygiene and safety management requirements such as the cleaning and disinfection of production equipment and utensils, environmental disinfection and control, the selection of raw material cleaning agents, and raw material cleaning procedures, ensuring effective guarantee of hygiene and safety in every step.

As of December 31, 2024, Haidilao actively participated in the construction of food safety standard systems, formulating and releasing two group standards, the Technical Specifications for Bullfrog Breeding and Processing and the Technical Specifications for Livestock and Poultry Seasoned Meat Product Processing, and successfully filed the corporate standard Modulated Aquatic Products. We also participated in the compilation of local standards, including the Layout and Setting Specifications for Catering Service Units and the Layout and Setting and Management Specifications for Central Kitchens.

In 2024, Haidilao won the Seven-Star Award for Food Safety in the 13th awards, and our four bullfrog breeding bases passed the third-party Intertek A-grade quality certification.



## Food Safety Risk Management

Haidilao has established a Product Lifecycle Risk Safety Control Program, covering multiple links such as R&D, product selection, new supplier access, new product production execution, acceptance, and market launch, achieving full-process, multi-dimensional, and node-specific refined management of food safety. We continuously optimize product safety, enhance quality stability, and safeguard product quality through such means as risk assessment, precise identification, effective communication, and targeted control, and by relying on the PDCA cycle model, promoting the steady improvement and healthy development of the Company's food safety management. Besides, we establish a food safety risk management file for each product, implementing dual-point documentation at both risk input and output stages to eliminate assessment blind spots, ensuring full product risk management traceability while improving the timeliness and effectiveness of risk management.

This year, we conducted multiple food safety risk management initiatives for products and suppliers, integrating supervision and support:

### Risk Identification, Assessment and Monitoring

#### Risk Identification and Classification

- **Comprehensive risk review:** During product pilot testing, initial mass production, and subsequent production, we conduct comprehensive reviews of raw materials, processes, production management, testing capabilities, and restaurant usage to identify potential risks and embed them into the management process. The improvement effectiveness is then be verified through spot checks.
- **Targeted risk inspection:** For known risks identified through public opinion, consumer feedback, or risk sampling, we conduct in-depth inspection to determine the causes and formulate solutions.
- **Food safety hazard analysis:** We implement a risk-based testing plan for restaurants and the supply chain, identify safety hazards at various stages of production and operation. We regularly commission third-party agencies to analyze risks in restaurant raw material acceptance, food preparation, meal serving and collection, cleaning and disinfection, and waste management, identifying key control points and formulating improvement measures.

#### Risk Assessment and Early Management

- **Judgment of edible and prohibited raw materials:** We establish criteria for judging ordinary food supplies, new food materials, medicinal and edible ingredients, food microbial strains, and additives.
- **Full-chain risk assessment of core products:** We conduct full-chain risk identification and assessment for core products, collaborating with third-party agencies to formulate product standard specifications.
- **Early risk assessment for new products:** During new product development and launch, we dynamically adjust risk assessment efforts by incorporating it into product on-site audits to ensure safety before market launch.
- **Major hazard response mechanism:** For major food safety hazards, we will initiate the Substitution Procedure for Products with Food Safety Hazards of Haidilao to ensure that they meet standards before being launched.

#### Risk Monitoring and Dynamic Management

- **Material monitoring:** Raw materials are inspected throughout the entire flow: from supplier release, through inbound warehousing, to outbound distribution. Risk-based sampling tests are conducted on material types, with non-compliant products promptly removed from circulation.
- **Restaurant and Central Kitchen Monitoring:** Monitor tableware, water, ice, oil, condiment stations, food materials, self-made beverages, and hygiene (hands, tools, equipment), etc. Conduct sampling inspections according to the annual plan, promptly report issues, and guide improvements, verifying the effectiveness of rectification through re-inspections.
- **Public opinion and policy response:** In response to food safety public opinion and new national standards (e.g., the 2025 food additive regulations), we carry out emergency responses, investigations, and risk sampling inspections to ensure no safety hazards exist.

## Supplier Safety Risk Management

We have established a comprehensive supplier access and audit mechanism through which we conduct quarterly unannounced audits for all critical suppliers. For high-risk and core material procurement, we have specifically developed a safety risk identification checklist and related technical specifications to enhance control standards across the entire supply chain. Additionally, we conduct regular supplier training and support initiatives to help suppliers improve their management capabilities and product quality. For more details on our supply chain management practices, please refer to the section under “Co-building a Responsible Supply Chain” in this report.

## Food Safety Inspections and Testing

### Restaurant inspections

We have established multiple food safety inspection systems (such as Food Protection Plan for Haidilao Restaurants, A-level Safety and Food Safety Regime for Restaurant Managers), regularly carry out food safety inspections on restaurants and oversee compliance of restaurant operations with food safety standards. In 2024, we conducted 5,562 restaurant quality and safety inspections and guidance sessions, 2,580 delivery inspections, 924 inspections for startup brand restaurants, and 101 spot checks in Hong Kong, Macau, and Taiwan regions. For the special regulatory requirements in Hong Kong, Macau, and Taiwan regions, we issue daily, weekly, and monthly inspection plans in real time via digital means, ensuring full coverage.

We also conduct sampling inspections on restaurant products, tableware, condiment stations, etc. We inspected 1,315 Haidilao restaurants, from which we collected 15,487 pieces of tableware, 312 equipment items, 5,395 ready-to-eat ingredients, and 1,382 hand swabs from food handlers throughout the year. For innovative brand restaurants, we sampled 107 restaurants, from which we collected 1,122 utensils, 34 equipment items, 313 ready-to-eat ingredients, and 130 hand swabs from food handlers, ensuring food safety at every step.

### Supply chain testing

We formulate raw material and product testing plans, covering supplier factory tests, type tests, arrival acceptance tests, and risk sampling inspections. In 2024, we conducted 2,535 sampling inspections, achieving 100% coverage of material categories. For failed risk sampling inspections, we strictly enforce Emergency Response System for Non-Conformance in Sampling Inspection of Haidilao Supply Chain to prevent issue escalation.

## Special Projects and End-to-end Control

### Improvement for high-complaint materials

For high-complaint materials (e.g., seaweed sprouts, bullfrogs), we collaborate with expert teams for on-site diagnostics, support, and training, establishing end-to-end control standards and optimizing processes from cultivation to processing, significantly reducing complaint rates.

### End-to-end control of core materials

For core materials, we integrate end-to-end resources, establish control standards and regulations, and achieve end-to-end control from source to table, ensuring ingredient quality.

## Product Traceability and Recall

To ensure rapid traceability and effective resolution of food quality and safety issues, we have established a comprehensive food safety control system covering the entire process from material development to market launch, strictly enforcing supplier certification and invoice systems. We also implemented Operation Accountability Mechanism for Food Safety Product Traceability and Imported Cold Chain Code System of Haidilao Group, to achieve supplier access qualification audits, on-site evaluations, risk assessments, and arrival testing and analysis through SRM system<sup>4</sup>.

In cases of quality or safety anomalies, we activate response mechanisms based on internal systems such as Food Safety Traceability and Recall and Termination for Sale System, Measures for the Management of Unqualified Food Materials and Supplies in Haidilao Supply Chain Haidilao Product Return and Recall Service Rules, and the newly revised Haidilao Product Recall Handling System for Supply Chain and Measures for the Management of Unqualified Food Materials and Supplies in Haidilao Supply Chain Haidilao Product Return and Recall Service Rules, to clarify procedures for product recalls and timeliness requirements. Additionally, we conduct annual simulation recall drills to strengthen our risk resilience to product recalls.

### Scenarios Applicable to Product Recall Regime

- Recall of raw and auxiliary materials;
- Returns due to logistics reasons;
- Returns of zero-inventory products;
- Defective products returned at restaurants;
- Returns due to reasons attributable to restaurants;
- Returns due to other reasons.

When restaurants receive returned goods due to quality issues, we immediately initiate a traceability mechanism. Restaurants must self-inspect product batches, production dates, and supplier information and report the same to the quality inspection department at headquarters. Once the issue source is identified, we proactively initiate recalls, document the process, and analyze root causes for improvement.

When receiving notice of partial dish removals, restaurants must immediately remove problematic dishes from the ordering system, seal remaining ingredients in processing or inventory, label them as non-conforming, and store them separately from qualified ingredients. This year, Haidilao returned approximately 434 tons of ingredients due to safety and health reasons.

## Emergency Response for Food Safety Incidents

For product recalls caused by quality issues, food safety issues, or policy changes, we have established comprehensive emergency plans and handling procedures. Whether severe issues arise in the supply chain or restaurants, or recalls and complaints occur due to procedural violations, we can respond swiftly and take effective measures for settlement.

### Emergency Response Plan for Food Safety Incident

- **Timely reporting:** Report to local health and market supervision departments within 2 hours of the incident;
- **Immediate rescue:** Organize rescue teams promptly to send affected consumers to hospitals;
- **Secure the scene:** In the event of a food safety incident, relevant personnel must immediately halt production and operations. They must seal and preserve all food items, raw materials, tools, utensils, equipment, and the site that are suspected to have caused or could potentially cause the incident. When securing the scene, the following must be retained as evidence for further investigation: affected food products, food-contact tools and containers and tableware and utensils;
- **Cooperate with investigations:** The responsible personnel of the affected restaurant and relevant employees must fully cooperate with the investigating authority in the food safety incident investigation and handling process, and provide true details regarding the food safety incident.

In response to anomalies in food safety and quality, such as severe foreign object complaints at restaurants or instances of non-compliance in supply chain sampling inspections, we have formulated Measures for the Management of Severe Foreign Object at Haidilao Food Restaurants and Emergency Response System for Non-Conformance in Sampling Inspection of Haidilao Supply Chain and corresponding emergency response measures. These measures include product recalls, temporary suspension of supply, and investigation of causes. Additionally, we conduct thorough inspections on the involved suppliers and all restaurants in the same city to ensure the issue is thoroughly resolved.

<sup>4</sup> SRM system: Supplier Relationship Management, a software tool or management platform designed to optimize and streamline interactions between an enterprise and its suppliers.

## Food Safety Culture Development

We are committed to fostering a profound food safety and quality culture, ensuring all employees and partners adhere to Haidilao's high standards and food safety norms.

For food safety training, we adopt a "training + certification" model under which an all-staff food safety training system covering different businesses and levels is built to unify food safety control standards and effectively reduce restaurant food safety issues. This year, 4,105 candidates took the reserve food safety officer certification exam, with a 71% pass rate; 2,978 candidates took the primary food safety officer exam, with a 64% pass rate; and 299 candidates took the intermediate B quality inspector exam, with a 37% pass rate. Additionally, 3,370 candidates passed the food safety officer certification, and 194 passed the intermediate B food safety officer certification. Overall pass rates have improved compared to previous years.

We also keep abreast of training progress for new employees, new restaurant managers, and new food safety officers to ensure they stay updated on the latest food safety requirements at new positions. For new restaurants, we mandate pre-opening food safety training and assessments, along with management training camps to strengthen awareness and skills of employees of new restaurants.

We intensify food safety training for key positions:



For back hall office managers, we have established a dedicated product training group. Relevant teams share common issues identified nationwide in the group on a daily basis, enabling restaurants to promptly implement corrective actions and improve product quality. Additionally, the product audit leader conducts centralized training sessions each month, providing a detailed analysis of recurring issues to further enhance restaurants' understanding of key product risk points and critical operational requirements.



For quality inspectors, we conduct regular systematic self-inspections. By strengthening inspectors' product knowledge and professional skills, we enhance product rechecks of restaurants, reduce potential errors in operational processes, and further ensure consistent output quality.

We continuously conduct online food safety education initiatives to enhance the relevance and effectiveness of our training programs, thereby deepening a culture of food safety awareness. This year, we distributed 14 learning materials and passed 2 messages through learning and development center training platform, providing employees with ample learning resources. Our monthly training sessions cover in-restaurant operations, startup brands, and delivery services, with a total of 309 food safety and safety plan documents circulated to ensure full coverage across all business segments. Additionally, our "Quality & Safety Micro-Lessons" series—featuring short videos such as "What Must Never Happen in the Kitchen," "Dual Safety," and "Staff Meals"—has been promoted in a must-read format through learning and development center training platform. These visually intuitive materials help popularize food safety knowledge.

### Case

#### Haidilao Incident Case Cards

Centering on safety incidents in the catering industry, we conducted in-depth analysis, summarized typical cases and compiled 83 Haidilao incident case cards, covering multiple areas including food safety, production safety, and equipment operations. Presented in an illustrated format, these case cards vividly reconstruct incident scenarios, analyze root causes, and propose actionable preventive measures—enhancing safety awareness and risk prevention capabilities across all restaurant employees. The content is regularly updated and disseminated through online training platforms, restaurant meetings, and other channels to integrate safety awareness into daily operations, collectively strengthening Haidilao's safety framework.



## Case

## Food Safety Assurance Themed Month Campaign

To further elevate food safety and hygiene standards, Haidilao launched the “Food Safety & Hygiene Improvement Year” initiative on January 1, 2024. We successfully executed the themed campaign—“Building a Qualified Food Safety Worksite”—implementing a comprehensive five-dimensional framework to establish compliant food safety practices.

The campaign spanned 30 administrative regions in mainland China, and Hong Kong, Macau and Taiwan regions, with active participation from over 1,200 restaurants. Based on restaurant feedback and on-site evaluations, the Quality and Safety Management Center conducted assessments to drive continuous improvement in quality and safety management capabilities of each restaurant.



## Case

## Haidilao All-staff Initiative Activity

During the 2024 National Food Safety Promotion Week, we launched the “Haidilao All-staff Initiative Activity”, where restaurant managers led all employees in taking a pledge to promote the following key initiative:

1. We will strictly adhere to the Food Safety Law and related regulations, uphold integrity, and actively fulfill social responsibilities.
2. We oppose the practice of employees working without qualified health certificates and will rigorously enforce the employee health management system to ensure the health of all staff on duty.
3. We will implement the Anti-Food Waste Law, enhance self-discipline, and integrate the principles of conservation and anti-waste into the entire catering service process.
4. We will execute daily control, weekly inspections, and monthly scheduling mechanisms to ensure the implementation of primary responsibilities.
5. We will strictly enforce the goods receipt management system to ensure the legality and traceability of ingredient sources.
6. We will comply with the whistleblower system to ensure that reports of food safety violations are effectively received and addressed.

This initiative aims to deepen societal awareness and attention to food safety issues through the collaborative efforts of all members. Haidilao emphasize that from the source of food production to the final consumption, strict quality control measures must be implemented to safeguard the health rights of consumers.

In terms of reward and penalty management, we have established a comprehensive and multi-dimensional incentive mechanism to motivate employees and partners to jointly improve food safety and quality management standards.



At restaurants, we introduced the “One-Day Food Safety Officer Reward Points Exchange” program to encourage employees to actively participate in food safety management. All employees take turns serving as “One-Day Food Safety Officer” to inspect, supervise, and address gaps in daily food safety operations, strengthening everyone’s awareness of food safety as a bottom line and reinforcing Haidilao’s food safety defenses. As of October 2024, 681 restaurants have maintained a record of zero major food safety violations for 999 consecutive days. Since November 1, 2024, we reset the day count and embarked on a new milestone.

Additionally, in December 2024, we officially launched a brand-new quality and safety scoring system to comprehensively elevate the Company’s quality and safety management standards, encouraging every employee actively to participate in quality and safety maintenance. Currently, the training and awareness campaign have been completed across over 1,300 restaurants nationwide.



At the supply chain level, we implemented the Reward and Punishment Management System for Food Quality and Safety Points of Haidilao International Supply Chain to ensure suppliers strictly comply with food safety standards. Through internal reinforcement and external advocacy, we embed the concept of food safety into employees’ daily work and convey Haidilao’s rigorous food safety values to suppliers.

We formulated the Haidilao Management System for Handling and Publicity of Restaurant License, requiring all restaurants to proactively display key documents such as business licenses, food operation permits, additive disclosures, GMO disclosures, and allergen disclosures to the public, demonstrating operational qualifications and compliance in all aspects. Furthermore, we adhere to monthly publication of food safety inspection and handling announcements on our internal websites, reporting inspection results and corrective measures accurately, timely, and objectively, increasing our transparency in food safety management.

To further enhance consumer confidence and satisfaction, we are a champion of “Transparent Kitchen”. Through transparent kitchen designs, consumers can directly observe staff operations, equipment, and hygiene conditions, making the food preparation process fully visible. Also, we host “Hi Food Safety Classroom (嗨食安小課堂)” on a regular basis, where parent-child families are invited to visit Haidilao. The classroom, themed “Food Safety, Child Safety,” helps enhance the participating families’ food safety awareness through fun and educational methods such as food safety explanations, kitchen tours, and fun experiments. In 2024, the “Hi Food Safety Classroom” involves 84 activities in 19 cities, covering more than 2,000 people.



Scene from “Hi Food Safety Classroom” Event

## Improving Food Quality

As a leading hot pot chain brand in China, Haidilao remains committed to maintaining stable food quality. Simultaneously, we strengthen food innovation and research to provide consumers with diverse and nutritious meal options, while improving food quality and service efficiency through intelligent operations.

### Product Quality Management

Haidilao always regards product quality as the lifeline of corporate development. Through scientific tiered management, strict process control, efficient logistics distribution, and intelligent technical support, we have built a comprehensive quality management system covering supply, warehouse and distribution, storage, and logistics transportation.

#### At Supply Level

We performed a scientific risk classification on the supplier system by evaluating suppliers based on three dimensions, being qualification and capabilities, product characteristics, and potential risks. Differentiated inspection strategies are formulated according to risk levels. Through rigorous qualification reviews, on-site inspections, and unannounced audits, we ensure suppliers consistently meet Haidilao's high standards.

For more details on our supply chain management practices, please refer to the section headed "Co-building a Responsible Supply Chain" in this report.

#### Warehouse and Distribution & Logistics Transportation

At warehouse and distribution level, we classify product defect risks into three tiers, covering over 95% of major ingredients. We conduct comprehensive inspections for Tier 1 risk products every two months, Tier 2 risk products every six months, and Tier 3 risk products every 12 months. Additionally, we built a nationwide restaurant logistics distribution network to ensure timely product supply.

For frozen, refrigerated, and ambient products, we established strict loading and transportation standards, equipped with continuous temperature recorders to ensure freshness and safety during transit. For restaurants in remote areas, we shortened delivery times and ensured ingredient freshness by deploying more regional warehouses and central kitchen facilities. Moreover, we achieved real-time information reception and precise task allocation utilizing multi-dimensional smart dashboards and the Feishu system, significantly enhancing risk prevention capabilities.







### Arrival Inspection and Storage

We inspect raw materials and ingredients upon receipt in accordance with such regulation as the Guidelines for Pesticide Residue Testing, the Goods Receipt Management System for Warehouse Keepers of Restaurants. This includes checking transportation temperature, the integrity of product packaging, and the quality of the products. If they do not meet the requirements, we will reject them. For storage, we have formulated the Food Storage Management System and the Material Management System, which strictly regulate storage requirements for different ingredients and close inspection of shelf life.

### Production Process Control

We developed standardized production operating procedures that strictly control thawing, washing, cutting, sorting, preparation, plating, and storage. We closely monitor critical control points and adopt quantifiable process control approaches to ensure stability of product quality. Simultaneously, we strictly enforce the Time Management Measures for Product Serving of Restaurants to guarantee ingredient freshness.

### Restaurant Management

At restaurant level, we established a complete quality assurance loop from process management to inspection execution and feedback optimization. Meanwhile, through operation instructions, we identify risk points and design reasonable processes to avoid product defects, and continuously improve product quality through dynamic process optimization.

### Product Quality Follow-up and Customer Complaint Handling

We established a robust quality follow-up mechanism to address issues identified during acceptance inspection, risk sampling, and functional department sampling, proposing specific rectification requirements and setting deadlines for completion. Through review of rectification reports and verification, we ensure issues are thoroughly resolved. We set up a customer service center at the logistics level to collect and handle with complaints on quality, while establishing emergency feedback mechanisms at the restaurant level to ensure consumer and restaurant feedback is promptly communicated and addressed with targeted improvements.

# Product Research and Innovation

Haidilao remains committed to inheriting and promoting Chinese hot pot culture, continuously expanding and optimizing product lines to provide consumers with rich and healthy culinary experiences.

## Innovation Management

We established a comprehensive product innovation management system, a Product Management Department and a Product Committee responsible for planning and executing new product development. We formulated the Haidilao Process for Product Development and the Product Process Management System of Restaurants, which clearly define the processes, standards, and requirements for new product research and development, ensuring the standardization and efficiency of product R&D. Additionally, we integrated scientific nutritional pairing principles with reference to the Guidelines for the Design of Nutritional Light Meal published by the China Cuisine Association into the meal nutrition function table planning to offer consumers healthier dining choices.

## Innovation Incentives

To inspire creativity of the R&D team, we introduced the Blockbuster Product Reward Rules, encouraging developers to create popular new products tailored to consumer preferences. Furthermore, we revised the Haidilao Procedure and Regime for Product Marketing and Promotion, clarifying departmental responsibilities and new product development timelines to ensure efficient implementation of innovations. By increasing performance bonuses for R&D personnel, we further enhanced the team's self-driven innovation capabilities.

## Nutritious Products

Guided by market demand, we obtain insights into consumer taste preferences and nutrition needs, leveraging data analysis. We regularly monitor product click-through rates to deliver nutritious and healthy foods that meet consumer expectations. In 2024, we adjusted our marketing calendar to "Four Seasons New Releases," introducing seasonal products each quarter. This year, we successfully launched 450 new products.

This year, we focused on nutritious and healthy product innovations, prioritizing consumer health needs:

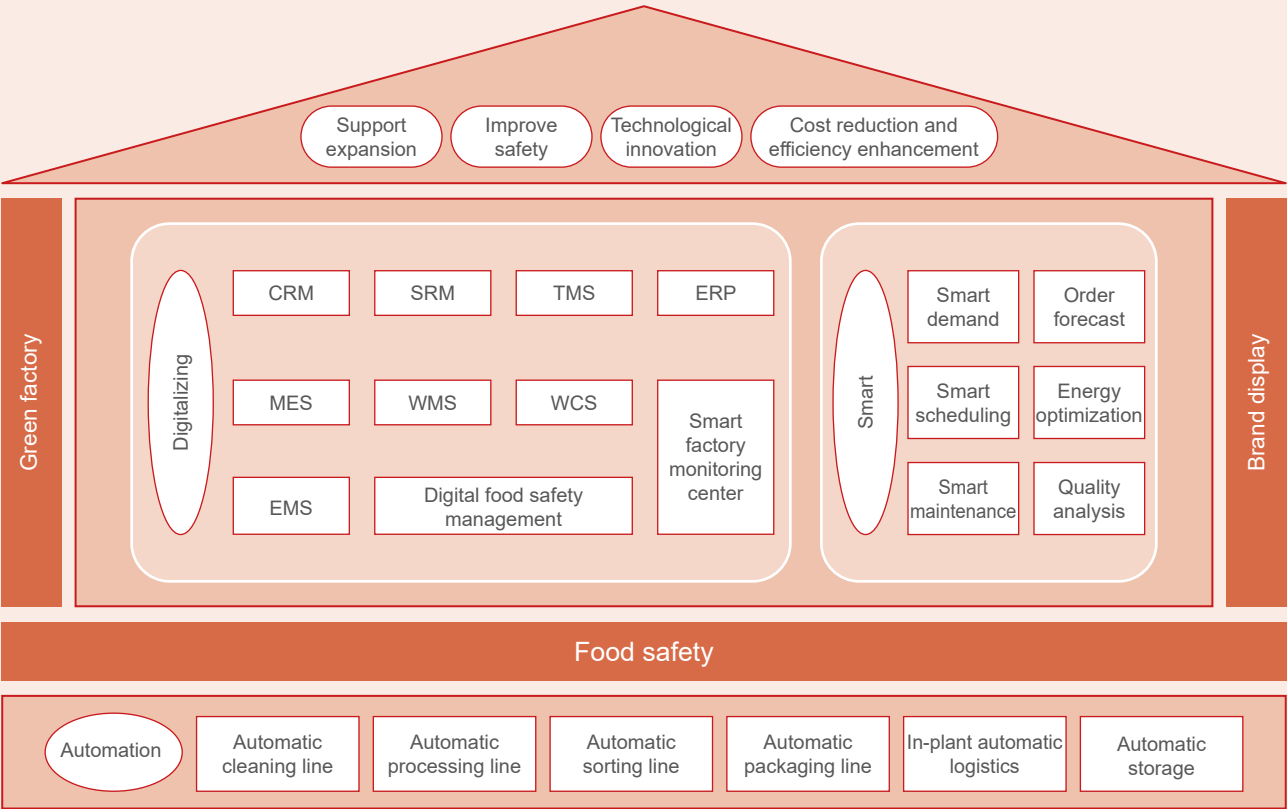
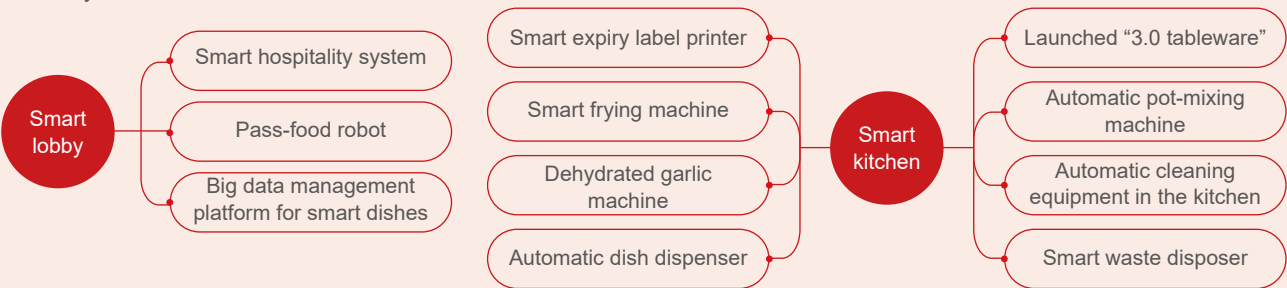
- **Healthy snacks:** We introduced the healthy snack "Vegetable Crisps," which is processed using vacuum low-temperature frying and dehydration technology to retain flavor and nutrients, free of additives or artificial colors;
- **Product without artificial additives:** Including artificial additive-free Inner Mongolia Han Mountain White Cashmere Goat (內蒙罕山白絨山羊), Loess Plateau Tan Sheep Lamb Roll (黃土高原灘羊肉卷) and Perch Soup Three Delicacies Hot Pot (鱸魚湯三鮮火鍋) satisfying consumer demand for natural ingredients;
- **Low-sugar, sugar-free and low-sodium products:** Including products such as Bamboo Shoot, Baby Bok Choy, Gold Potatoes, Homemade Tofu, etc. to achieve nutritional upgrades;
- **Light-fat and low-fat products:** Including poultry products such as Cumin Chicken Thigh and Green Pepper Chicken that offer consumers low-fat and healthy options.



## Smart Operation

Haidilao achieved deep convergence between production and restaurant operations through digital technology, which comprehensively enhances meal preparation efficiency and service quality. As a key initiative in supply chain upgrades and innovation strategies, we constructed smart central kitchens and transformed traditional back kitchen processing models utilizing automation, digitalization and intelligent technologies. Through supply chain early preparation and direct dish distribution, we alleviated labor and space pressures in restaurant kitchens, significantly improving dish output efficiency and service quality. In 2024, 49 restaurants in the Jing-Jin-Ji region and 28 restaurants in the Shanghai region operated direct dish distribution projects. Additionally, in 2024, we upgraded and renovated the Beijing direct dish factory by optimizing production line layouts and deploying more equipment, further advancing the implementation of smart operation.

We have established “Smart Lobby” and “Smart Kitchen,” and used the following smart devices this year to improve operational efficiency.





Case

### Smart Expiry Label Printer Enhances Restaurant Food Safety and Efficiency

In traditional restaurant operations, over 100 types of ingredients such as condiments, beverage raw materials, thawed products, pre-packaged cold dishes, and short-shelf-life dishes require employees to manually record production expiration and calculate timeframes after opening or thawing. This process carries risks of food safety violations due to subjective and objective factors such as errors in filling out the form or human modification of the timeliness of the production. To address this issue, we developed a smart expiry label printer to upgrade handwritten labels to digital printed ones. Employees may print labels in real time with a single click after selecting the ingredient by logging into the system via IPAD, web, or mini-program, while enabling near-expiry alerts for production timelines.

This device not only standardizes labels but also significantly reduces employee workload, eliminating handwriting errors and alteration risks while effectively lowering food safety risks and restaurant supervision difficulties. By the end of 2024, the smart label printer had been successfully implemented in over 800 restaurants, becoming a smart tool to enhance restaurant operational efficiency and food safety management.

## Intellectual Property Rights Protection

Haidilao sticks to the legal bottom line, strictly abides by the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant laws and regulations, and actively maintains fair and competitive market environments. We regularly review and optimize our intellectual property management system, and revised internal regulations such as Brand and Trademark Management Regulations of Haidilao Group, Genuine Software Management System, and Patent Management Measures this year to further improve our intellectual property protection framework and management mechanisms.

In daily operations, we attach high importance to the protection and management of intellectual property rights through multi-dimensional and systematic measures to ensure the security of our intellectual property rights while respecting and protecting others' rights. For patent applications, we have established strict review processes and quality control mechanisms to guarantee efficiency and high quality. In self-owned brand applications and licensing, we strictly follow relevant laws and regulations to ensure brand legality and security. We also regularly evaluate and optimize our patent portfolio to align with the Company's strategic development.

We have established a rapid response mechanism for infringement. Upon identifying third-party infringements, we take immediate actions such as complaints, issuing letter for communications, or litigation to demand cessation of violations. Recognizing intellectual property rights as a core driver of innovation, we always uphold integrity and respect others' intellectual property rights. In technology R&D and collaborations, we emphasize patent analysis and early warnings to mitigate potential infringement risks.

This year, Haidilao obtained 19 new patent authorizations. As at the end of the year, we had a total of 778 intellectual property rights, including 534 registered trademarks (504 in Mainland China and 30 in Hong Kong, Macau and Taiwan regions), 178 patent authorization, 34 software copyrights and 32 copyright works.

This year,

Haidilao obtained



19

new patent authorizations



As at the end of the year,

we had a total of

778

intellectual property rights

## Co-building a Responsible Supply Chain

Haidilao has built a transparent, efficient and responsible supply chain system to focus on suppliers' ESG performance and risks. We collaborate closely with suppliers to optimize warehousing, quality control, and food safety traceability, transforming suppliers from traditional supporters to co-creators and drivers of an efficient supply chain ecosystem.

### Supplier Management System

Haidilao has established a systematic and standardized supplier management system covering the entire lifecycle from access to withdrawal. We have developed internal regulations such as Haidilao Measures on Supplier Management, Haidilao Group Regime for Supplier Review Management, Haidilao Group Administrative Regulations on Suppliers of Class A Materials, the Supplier Incentive Measures & Product Standard Non-compliance Penalty Policy, Haidilao Regulations on the Management of International Supply Chain Food Quality and Safety, the Reward and Punishment Management System for Food Quality and Safety Points of Haidilao International Supply Chain Haidilao Administrative Regulations on Graded Supervision of International Supply Chain Food Quality and Safety, Supplier Inspection Regime, Rules Regarding Supplier Disqualification for Red-line Violations and Blacklist Management. This year, we revised such internal systems as the Measures for Handling Suppliers Unqualified in On-site Review or Pending Improvement and Measures for the Management of Unqualified Food Materials and Supplies in Haidilao Supply Chain to provide a solid institutional foundation for supplier management.

We have continuously strengthened the oversight mechanisms for our supply chain, with a particular focus on enhancing food safety management at the source. By implementing hierarchical and differentiated management of suppliers, we have achieved precise supervision and dynamic optimization, elevating the stability and safety of the supply chain to deliver high-quality products and services to consumers. This year, the total number of the Company's suppliers in Mainland China, Hong Kong, Macau and Taiwan regions reached over 2,000, all of which operated in accordance with the Company's established supplier engagement system. Among these, 16 suppliers were discontinued due to environmental and social risks. Haidilao's nationwide network of 34 decentralized laboratories with testing capabilities conducted 2,535 supply chain product inspections this year.

In 2024



The total number of the Company's suppliers in Mainland China, Hong Kong, Macau and Taiwan regions reached

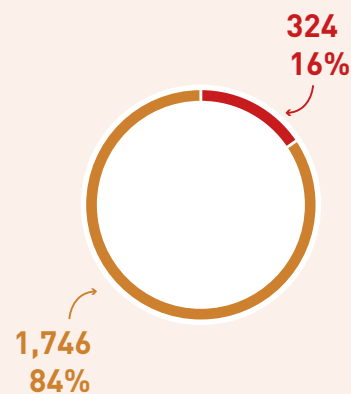
over **2,000**



with testing capabilities conducted

**2,535** supply chain product inspections this year

The regional distribution of suppliers in Mainland China, Hong Kong, Macau, and Taiwan regions is as follows:



■ Suppliers in Mainland China

■ Suppliers in Hong Kong, Macau and Taiwan regions



## Supplier Selection and Access



### Selection of suppliers

In selecting suppliers, we always adhere to high standards and strict requirements, comprehensively evaluating suppliers' scale, capacity, operational status, and safety performance. In particular, food safety control qualifications and performance are used as core indicators to measure their comprehensive strength and long-term cooperation potential.

To mitigate supply risks, we consider factors like regional risks and product characteristics, expanding collaborations with multiple high-quality suppliers while prioritizing partnerships with leading domestic and international livestock farming and processing enterprises to guarantee raw material quality and safety from the source.



### Supplier access review

We have established a systematic, multi-level supplier review mechanism covering sample identification, submission of qualification documents, review of packaging labels, laboratory testing, on-site review, unannounced review, access review, and special inspections, to comprehensively assess supplier capabilities and compliance, and ensure they meet our high standards.

In qualification reviews, we focus on core indicators such as suppliers' industry rankings, factory scale, risk profile, and reputation, ensuring they are advantageous in quality, cost control, and compliance. We implement a one-vote veto system for suppliers who fail to pass the certificate review or factory inspection, excluding non-compliant suppliers from the supply chain. Furthermore, we stay abreast of legal updates, promptly adjusting qualification audit standards to ensure suppliers consistently meet the latest regulatory requirements.

In food safety audits, we prioritize production environments, factory controls, and storage standards of suppliers to ensure full compliance with food safety requirements.

## Supplier Evaluation

### Classification Management

We have established a scientific tiered management system to comprehensively assess the risk levels of suppliers and supplied materials, categorizing suppliers into three groups: A, B, and C to reflect their risk levels. Subsequently, we determine the review requirements and frequencies corresponding to these risk levels.

#### Evaluation of the risk classification of materials

We consider factors such as annual national departmental sampling plans, sampling notification results, internal testing and risk verification within Haidilao, the Group's procurement quotas, product usage scenarios in restaurants, and customer complaints to determine the risk level of materials.

#### Evaluation of the risk classification of suppliers

We take into account the supplier review outcomes, issues identified during the review process, industry norms of materials, and the complexity of product production and processing technology to determine the risk level of suppliers.

### Suppliers Performance Evaluation

Guided by the philosophy of win-win cooperation, Haidilao has established a comprehensive supplier performance evaluation system. Through monthly and annual assessments, suppliers are comprehensively evaluated on delivery time, service, cost, innovation, food safety, and integrity. Furthermore, clear penalty and reward criteria are set, and suppliers are categorized based on their scores for tiered management, driving continuous performance improvement.

#### Warehouse performance evaluation

By collecting and analyzing customer complaint data, we conduct quantitative assessments of each warehouse's storage and transportation management performance and implement a complaint-based rating system. Based on the evaluation results, differentiated reward and penalty measures are applied to incentivize warehouses to optimize operations.

#### Special summary & risk alerts

We regularly consolidate and analyze supplier audit results, specific issues, and potential risks, then develop targeted solutions. If any abnormalities or risks are detected, an early warning mechanism is activated immediately, ensuring prompt communication with suppliers and effective measures for swift resolution.



### Supplier Elimination Management

We always adhere to the principle of "Support as the primary method and elimination as the secondary option," working hand-in-hand with suppliers for mutual growth. Before considering elimination, we engage in thorough communication and provide targeted guidance to explore optimal solutions. Only suppliers that still fail to meet requirements after support measures are phased out, ensuring enhanced supply chain quality and stability.

#### Red-line standards and one-vote veto

We have formulated clear red-line standards for various supplier performance indicators. If a supplier breaches any red-line criteria, we immediately activate a one-vote veto policy and terminate cooperation to uphold supply chain compliance and safety.

#### Handling of unqualified suppliers in audits

For suppliers that fail audits, we flexibly implement measures such as suspending supply or allowing supply while rectifying issues, based on their industry standards, product necessity, and substitution difficulty, to ensure supply chain continuity.

#### Assistance for unqualified suppliers in access review

For suppliers that fail access review, we first assess the feasibility of assistance. If they meet the assistance conditions, we set clear improvement goals and provide support to help them enhance their capabilities. After the assistance period, suppliers may reapply for the access review.



## Environmental and Social Risks Management of Suppliers

We integrate ESG principles into every aspect of supply chain management, advocating for sustainable development goals among partners along the supply chain.

### ESG Compliance Management

We place great importance on managing business ethics, environmental protection and social responsibility risks within our supply chain. In the process of selecting suppliers, we prioritize compliance as a core requirement, mandating that all suppliers strictly adhere to local and international laws and regulations related to anti-corruption, labor rights, health and safety, and environmental protection. We thoroughly review suppliers' compliance records in these areas to ensure they have no history of poor credit or penalties. Suppliers demonstrating excellence in ESG performance are prioritized as partners to promote the implementation of green and sustainable development principles.

We give preference to suppliers certified with ISO 14001 (Environmental Management System), ISO 22000 (Food Safety Management System), HACCP (Hazard Analysis and Critical Control Points), BRC Global Standard for Food Safety, FSSC 22000 (Food Safety System Certification), ISO 45001 (Occupational Health and Safety Management System), and ISO 9000. During the access review, we assess suppliers' compliance and capabilities through on-site communication, verification of management system certifications, evaluation of actual control implementation, and checks on employment practices.

### Climate Resilience in the Supply Chain

To better address climate change risks, we provide alternative distribution solutions for suppliers in accordance with the Shuhai Supply Chain Emergency Distribution Service Rules. This ensures that should unexpected climate events or other force majeure factors cause disruptions in our supply chain, we can quickly and flexibly adjust distribution strategies to ensure timely delivery of goods. Meanwhile, we have established close collaboration with suppliers to improve supply chain flexibility together.

### Supply Chain Traceability

We place strong emphasis on traceability management, particularly for key categories such as beef, dairy products, seafood, and agricultural produce. Through a rigorous end-to-end tracking mechanism, we ensure product quality and safety.



#### Traceability Management for Beef, Dairy and Seafood Products

We implement traceability across the entire chain for all beef, dairy, and seafood products, covering supplier production, logistics, and origin. For development and access of beef, dairy, and seafood suppliers, we prioritize Haidilao's standard access review process, including documentation checks, on-site audits, and unannounced follow-up audits. During on-site audits, we conduct full-chain traceability checks for at least three production batches, verifying upstream raw material sources, supplier controls, arrival inspections, process records, and material balance tracking. Suppliers that cannot be effectively traced are flagged as high-risk and subjected to enhanced oversight to ensure supply chain transparency and control.

In 2024, we conducted traceability assessments for our key fresh-cut beef products, enforcing strict controls from slaughterhouse access review to transportation and in-restaurant handling. Relevant certificates and records are retained at restaurants to guarantee full traceability from source to endpoint.





### Traceability and Environmental Management of Plant-based Agricultural Products

In the supply chain of plant-based agricultural products, we place special emphasis on soil and water resource management. Prior to collaboration, suppliers are required to submit soil and water samples to independent third-party laboratories for testing, and can only proceed with cultivation after meeting established standards. Additionally, we mandate that suppliers provide detailed cultivation plans, including pest control measures, pesticide usage records, and safety intervals, to mitigate potential environmental and food safety risks associated with pesticide use.

## Transparent Procurement

We adhere to the principles of “integrity, fairness, impartiality, and transparency” to establish a transparent procurement system and mitigate corruption risks in the supply chain. We have implemented the Haidilao Compliance Code, which explicitly prohibits unethical practices such as bribery and kickbacks by suppliers and related personnel, alongside establishing audit supervision and whistleblowing mechanisms. All employees responsible for supplier vetting are strictly required to immediately report any bribery incidents in accordance with the Haidilao Regulations on the Management of Supplier Reviewers, ensuring prompt resolution of issues.

Prior to on-site access review, we conduct dedicated compliance briefings with supplier personnel to explicitly prohibit bribery, gift-giving, entertainment offerings, and other improper conduct, while emphasizing the critical importance of ethical collaboration. Additionally, we issue an open letter to first-time suppliers, mandating the establishment of business-appropriate compliance standards and ethical requirements in all business activities with us.

## Green Procurement

We have established a long-term green procurement development plan, innovated procurement models, and incorporated environmental performance into the supplier evaluation system to promote the adoption of green practices throughout the supply chain.

We encourage suppliers to minimize unnecessary packaging materials and prioritize the use of recyclable and biodegradable eco-friendly materials to reduce waste generation at the source. To mitigate the environmental impact of our delivery services, we actively procure and promote the use of sustainable packaging solutions, including fully biodegradable sugarcane pulp containers, polylactic acid (PLA) straws, and paper straws.

In our central kitchen operations, we prioritize the adoption of eco-friendly and energy-efficient device to significantly reduce energy consumption and pollutant emissions.

## Developing Local Suppliers

We always upheld an open and collaborative philosophy, actively fostering the development and integration of local suppliers. In our existing supplier network, we prioritize the inclusion of geographical indication products and regional specialties to enhance product diversity. Meanwhile, recognizing our social responsibility, we are committed to supporting rural revitalization through our supply chain by promoting distinctive products from remote areas to our nationwide restaurants. In 2024, we successfully introduced Leishan Fish Sauce, a specialty product from Leishan County, Guizhou, to our national outlets, generating economic benefits for local farmers.

# Supplier Communication and Empowerment

We regard suppliers as key partners and help them enhance capabilities and optimize management through training, empowerment, and incentives, jointly driving high-quality development cross the industrial chain.

## Annual Supply Chain Conference

We host the “Haidilao Supply Chain Conference” annually, inviting outstanding suppliers to jointly explore diversified development paths for mutual success and seek innovative approaches for the catering supply chain. To recognize partners who excelled in product R&D, logistics management, and other areas, we presented multiple awards at the conference, encouraging more collaborators to build a “win-win chain.”

### Case

#### Innovation in Win-win Collaboration Model

In 2024, the Haidilao “Rich Mushroom Broth Hot Pot ( 濃濃菌湯鍋 )” and winter seasonal offerings received widespread acclaim. To ensure premium mushroom quality, Haidilao rigorously controlled harvesting, processing, sorting, and grinding processes. From wild Boletus mushroom picking and drying to 13-step precision sorting (including wind separation), followed by ultrafine grinding and triple-stage simmering at Shuhai Central Kitchen, Haidilao and supply chain partners like Shuhai demonstrated seamless collaboration, advancing from “supply chain” to “shared-value chain.”

The same year, Haidilao and Shuhai expanded logistics networks with new warehouses in Chaozhou and Guiyang, optimized Jiangmen warehouse layout, and established a Foshan facility, significantly enhancing logistics efficiency and supply chain flexibility. Comprehensive adoption of dual/triple-temperature cold chain trucks, combined with Shuhai’s WMS and Baichuan Quality Inspection Systems, enabled full-chain food safety traceability, delivering more reliable dining experiences for consumers.

## Information Sharing and Risk Early Warning

To ensure suppliers stay updated on food safety developments, we have established an early warning system that publishes the latest regulations and requirements monthly on our official website and food safety information platform. For seasonal materials like vegetables and fruits, we implemented a proactive alert mechanism to guide suppliers in taking preventive measures against potential risks.

## Rectification Guidance and Targeted Support

During on-site supplier reviews, identified issues are clearly communicated with specific corrective requirements, closely followed by progress tracking. For high-risk material suppliers, we develop tailored follow-up plans outlining quality control measures with implementation oversight. For customer complaints, we establish dedicated communication channels (group chats/calls) to guide improvement strategies, supplemented by formal emails highlighting key production management priorities.



## Case

Supplier 8D<sup>5</sup> Assistance

In 2024, we assisted 22 suppliers in implementing the 8D methodology for quality improvement, covering products such as bean products, dried balloonflower, seaweed sprouts, red sour soup, fresh-cut beef, frog-fish hotpot base, beef balls, and duck intestines. For these suppliers, we conducted on-site investigations, jointly developed improvement plans, provided food safety training for core personnel in production and quality control, and implemented online process monitoring to ensure sustained results.

Taking dried balloonflower as an example, we applied the 8D methodology to address foreign object issues with an Anhui-based supplier. We identified 22 improvement opportunities across dimensions such as processing techniques, manual sorting, staff performance, and workforce management. The processing techniques were optimized, key process points were clarified and documented for training and implementation, the responsibilities and accountable personnel for each role were defined, and a team leader position was established to assist in workforce management and process execution supervision. Additionally, quality inspectors were increased to conduct regular foreign object inspections, and an online monitoring mechanism for the effectiveness of foreign object sorting was established to ensure the proper execution of the techniques and sorting solutions. After the implementation of the assistance program, the customer complaint rate dropped by 70% within three months, significantly enhancing customer satisfaction with the preserved vegetable products.

### Specialized Supplier Training

We conduct regular food safety training for core suppliers and quality control personnel to build a supply chain food safety learning ecosystem. In 2024, we successfully organized 16 online and offline food safety related training sessions with industry experts, covering foreign material control and drills, clean production and pest management, bovine/ovine exogenous gene testing, agricultural product quality safety law, “3·15” consumer rights special training, GB2760-2024 food additive standards and GB43284-2023 excessive packaging restriction. These programs significantly enhanced core suppliers’ food safety management capabilities.

### Supplier Incentive Program

We implement diversified incentive measures to recognize suppliers’ outstanding performance and continuous improvement, jointly driving high-quality supply chain development.

The honor is awarded to supplier partners with over one year of collaboration, consistently ranking above average, maintaining long-term high standards and quality, and providing exceptional support for Haidilao’s nationwide products.

**Haidilao quality  
award**

**Haidilao quality  
progress award**

This recognition is granted to supplier partners with over one year of cooperation and supply volume exceeding RMB5 million, who demonstrate outstanding efforts in quality improvement, acknowledging their continuous enhancement of product quality and management capabilities.

<sup>5</sup> 8D: Establish the Team, Describe the Problem, Implement Interim Containment Actions, Identify Root Causes, Develop Permanent Corrective Actions, Implement Permanent Corrective Actions, Prevent Recurrence, Congratulate the Team



# 02 THOUGHTFUL SERVICE

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Haidilao is committed to building a comprehensive customer service system, strictly safeguarding consumer rights, and continuously optimizing the dining experience for customers. We rigorously ensure hygiene and safety in our restaurants, provide personalized services, protect consumer privacy, and adhere to responsible marketing, offering every customer a safe and attentive service experience.

● Crafting Thoughtful Service	39
● Safeguarding Consumer Rights	43

Alignment with SDGs:





## Crafting Thoughtful Service

We rigorously enforce stringent foods safety protocols, innovative personalized service models, enhanced membership management systems and multi-channel customer feedback mechanisms to offer each customer safe, comfortable and pleasant dining experience.

### Enhancing the Dining Experience

#### Creating a Worry-free Dining Environment

In terms of food safety management in restaurants, we strictly adhere to national standards and have compiled the Haidilao Restaurant Manual for Food Safety Management to comprehensively manage restaurant hygiene. We promptly maintain, service, clean, and disinfect facilities and equipment to create a safe and reassuring dining environment for customers.

In daily operations, we rigorously implement the requirements of Haidilao Restaurant Plan of Food Protection, maintaining high standards for food safety control. For self-service condiments provided in the restaurant, we consistently ensure the cleanliness of containers and replenish condiments in a timely manner. During off-peak hours, we take measures such as covering or sealing food to effectively prevent contamination.

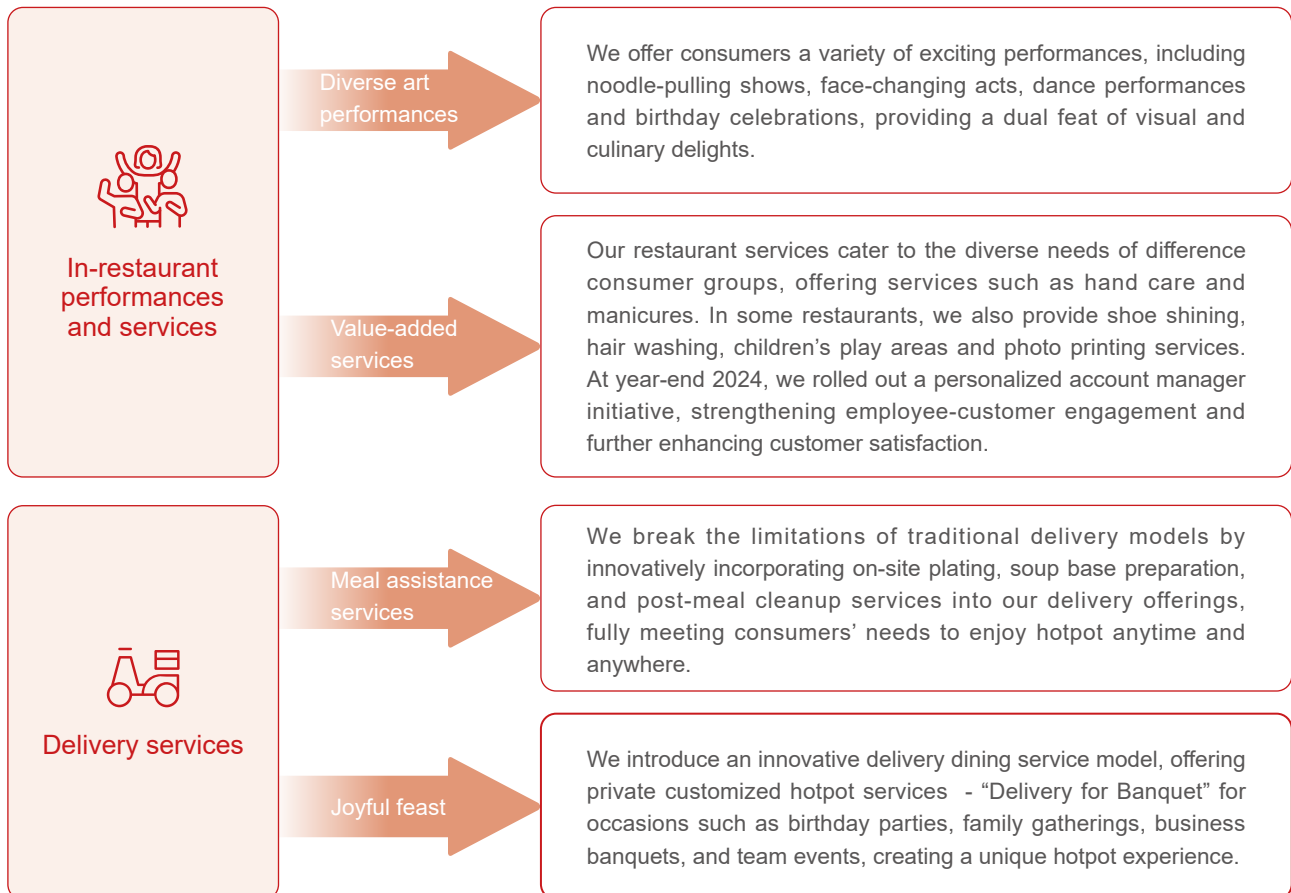
To provide a better dining experience for special groups such as the elderly, the sick, disabled individuals, pregnant women, and children, we offer special attention and care during their waiting, dining, and departure. We also optimize and upgrade restaurant facilities by establishing nursing rooms, improving restroom facilities, and enhancing waiting areas, striving to create a more comfortable and convenient dining environment.

To address potential emergencies, we have developed the Emergency Response Plan for Restaurants, covering scenarios such as operational disruptions caused by power outages, water cuts, gas or steam interruptions, equipment failures, natural disasters, network issues, as well as the need for emergency closures due to public health incidents. This ensures operational stability and minimizes the impact of emergencies on customer safety and dining experience.



## Implement Personalized Services

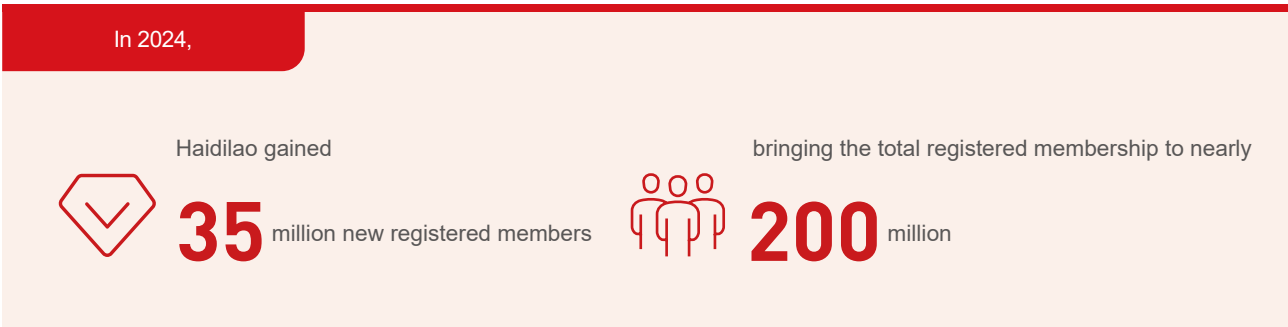
Haidilao has always adhered to “service and customer centric” philosophy, with innovation at its core. We strive to move away from traditional standardized and monotonous services by promoting personalized and distinctive services. Treating customers with sincerity is our fundamental principle, and we are committed to providing “thoughtful, warm, and comfortable” service.





Upgrade Membership Benefits

We have established Haidilao Membership Management Regime to regulate the management of member accounts, loyalty points, data, and personal information. Membership benefits are publicly disclosed through various channels, including the official website, TV, mini-programs, apps, and ordering IPADs, helping members clearly understand their rights. We organize a variety of membership benefit activities to enhance the sense of experience and belonging among members. In 2024, Haidilao gained 35 million new registered members, bringing the total registered membership to nearly 200 million. By introducing and optimizing exclusive benefits such as access to express queue channels, distinctive badges, and invitation-only off-line events, satisfaction among Black Sea members has significantly improved.



Membership mall

To enhance members' experience beyond the restaurant, we launched the online platform "Haidilao Mall," integrating multi-brand product resources for members to choose from, including Haidilao mooncakes, fresh food, crossover collaborations and other options.



Flavor preference settings

Through the Haidilao official APP, members can pre-set personal flavor preferences, including ingredients, spiciness, and numbness levels. When dining in-restaurant, we recommend hotpot bases, ingredients, and condiments based on members' customized preferences.





## Listening to Consumer Feedback

We treat consumer opinions and feedback as critical bases for optimizing products and services, actively adopting suggestions to enhance customer evaluations in restaurant ratings. To unlock the potential of restaurant services, we established Haidilao Four-Color Card Evaluation System, comprehensively assessing restaurant operations across four dimensions, being on-site service, product preparation, environmental hygiene, and food safety. Additionally, we regularly select and promote exemplary service cases, encouraging restaurants to learn from one another, deeply understand consumer needs, and continuously improve service standards.

We have built diversified customer communication channels, covering restaurants, delivery platforms, social media, membership mini-programs, and online malls. We formulated Customer Complaint Handling Guidelines and Management Guidelines on Complaint Handling Authorization and Remedy, dynamically following up each complaint to ensure timely and professional resolution. Furthermore, we established a dedicated quality inspection team to periodically review customer service recordings, ensuring high-quality service.

This year, we automated refund processing for overpayments or duplicate payments at the system level, reducing refund processing time from 2 hours per order to just 0.5 minutes, significantly improving customer service efficiency. Additionally, we optimized complaint management using multi-dimensional smart dashboards, enabling real-time monitoring, precise task assignment, and rapid response to quality issues, ensuring responsible parties in the supply chain can address problems promptly. For red-line issues and major risk hazards, the dashboard system can quickly trigger alerts, helping teams identify and mitigate risks in advance, effectively reducing complaint rates. In 2024, the number of complaints regarding products and services was 102,312, with a resolution rate of 100%, customer service satisfaction reached 99.51%, and overall customer satisfaction reached 93.07%.

Thanks to our strong brand reputation and customer satisfaction, in 2024, Haidilao achieved excellent results in the 10th China Net Promoter Score (C-NPS) brand ranking released by the authoritative brand rating agency Chnbrand, once again being recognized as the "Most Recommended Brand by Customers."

In 2024,

customer service satisfaction reached



**99.51%**

overall customer satisfaction reached



**93.07%**

## Safeguarding Consumer Rights

Haidilao upholds the concept of responsible marketing, emphasizing consumer information security and privacy protection to safeguard consumer rights.

### Information Security and Privacy Protection

Haidilao values consumer information security and privacy protection, strictly complying with laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Personal Information Protection Law of the People's Republic of China. We have established internal policies such as the Specifications for End-to-End Information Security Management of Haidilao, Specifications for the Management of Customer Personal Information and Privacy Protection, and Regime on Privacy Policy Update Process to ensure lawful and compliant management of consumer information both online and offline. Additionally, the Company has built a data security compliance team responsible for major decisions, emergency responses, compliance improvements, and training related to data processing, security, and consumer information protection to keep enhancing employee safety awareness. During the reporting period, the Company did not encounter any litigation incidents related to violations of data security or privacy protection.

#### End-to-end Data Security Management

Haidilao manages consumer personal information throughout the entire process of data collection, transmission, usage, storage, external sharing, and destruction, ensuring each step complies with legal requirements and respects user rights. During data collection, we adhere to the principles of legality, necessity, and transparency, obtaining explicit consent from consumers beforehand. We use encryption technologies for transmitting and storing personal information and employ de-identification measures for displayed data to minimize leakage risks. For data sharing and external provision, Haidilao implements strict review mechanisms, including pre-assessment, authorization, process supervision, and signing agreements with third parties to ensure necessity and security of data sharing.

#### Cybersecurity Protection and Emergency Response

To address potential information security incidents, Haidilao has developed the Cyber and Information Security Incident Emergency Response Plan, ensuring rapid response, proper handling, and timely vulnerability fixes to prevent recurrence. Our security team regularly conducts vulnerability scans and penetration tests to assess network security, alongside daily inspections to identify and resolve potential threats.

#### Privacy Policy Enhancement

Haidilao continuously optimizes privacy policies, upgrading from generic versions to customized policies tailored to specific business functions, covering scenarios such as online ordering, queue management, delivery services, and membership benefits. This ensures users can easily understand and accept the terms. During the first APP or mini-program launch or registration, we display privacy clauses via pop-ups to secure informed and active consent of users. For delivery services, we implement virtual phone numbers that expire after order completion, effectively protecting user privacy.



## Responsible Marketing

Haidilao strictly complies with laws and regulations such as the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Anti-unfair Competition Law of the People's Republic of China, has formulated and optimized such regulations as Haidilao Brand Marketing Specifications, Advertising Compliance Review System and the Administrative Regulations on the Use of Social Media Platforms, setting up ad review processes and enforcing pre-release mechanisms to eliminate false or exaggerated claims. This fosters a fair competitive market environment and ensures compliant marketing communications.

Haidilao has implemented a multi-layer advertisement review mechanism. All advertisements must pass reviews conducted by the business department, the brand management department and the legal department before they are released. To adapt to market changes and innovative marketing approaches, the Company conducts regular training sessions to enhance employees' compliance awareness. This year, over 20 training sessions were held, covering restaurant senior management, regional brand liaisons, marketing staff, restaurant staff, and others, with over 100,000 participants. Additionally, Haidilao strengthens diversified marketing management in restaurants, standardizing spontaneous marketing, cross-industry collaborations, and media promotions while clarifying employee conduct and third-party account management standards. The Company stays updated on regulatory trends, promptly rectifying or removing non-compliant content to ensure marketing activities adhere to regulations.

This year, Haidilao planned and executed several unique marketing campaigns. For example, the No. 54 restaurant in Beijing organized parent-child activities such as crafting traditional ancient-style sachets and exquisite fish lanterns, preserving and promoting traditional culture.



Parent-Child Activity for Crafting Exquisite Fish Lanterns



**Haidilao 海底捞火锅**



# 03 PEOPLE -ORIENTED

Haidilao fully respects the value of employees and continuously optimizes a human resources management system centered on fair employment and employee well-being. We uphold the principles of “inclusion, diversity, and collaborative innovation”, fostering mutual respect to create a fair, open, and safe workplace for every employee and supporting their diverse development.

● Adhering to Compliant Employment	47
● Protecting Employee Rights	49
● Creating a Safe Workplace	52
● Empowering Employee Development	56

Alignment with SDGs:





## Adhering to Compliant Employment

Attracting core talent is crucial for Haidilao to maintain competitive advantages and drive innovation. Building on compliant employment, we have established open and diverse recruitment channels to help employees realize and maximize their potential, creating a fair, just, and orderly employment system.

### Employee Recruitment and Employment

Haidilao adheres to the principles of compliant and equal employment, strictly follows the Provisions on the Prohibition of Using Child Labor and Law of the People's Republic of China on the Protection of Minors, Labor Law of the People's Republic of China and other employment related laws and regulations, and has formulated internal employment management policies, including the Internal Recruitment System of Haidilao International Holding Ltd., Recruitment and Training System for Functional Departments, Related Regulations on the Health Inspection of Employees between 16-18 Years Old. To ensure professionalism and compliance in recruitment, we enhance transparency and standardization by way of combining third-party agency recruitment with in-house hiring. We firmly oppose child labor and take proactive and effective measures to prevent such occurrences during recruitment.

- **Establishing a robust identity verification system:** During recruitment, applicants are required to provide valid identity documents such as ID cards or passports, which are authenticated through a professional recruitment system to verify age and ensure no underage hires.
- **Clear recruitment policies:** Our recruitment policies explicitly prohibit child labor, and this is communicated to all recruitment personnel. Meanwhile, we offer enhanced training for recruiters and HR officers to help them identify potential child labor hire risks and report suspicious cases timely.
- Recruitment systems are configured to reject employment of minors under 16 years of age.
- Recruitment suppliers and processes are reviewed to prevent underage hiring.
- During recruitment, applicants are clearly and accurately informed about job details, work environment, hours, and compensation to avoid fraudulent or false recruitment practices are applied.

If child labor is discovered, the Company will immediately activate an emergency response plan, undergoing a physical examination on the engaged underage labor at its own expense, and promptly contacting their guardian. Upon receiving the examination results, the guardian will be arranged to provide care, and the employee's age information will be recorded to prevent recurrence and ensure the protection of minors' legal rights. Employees involved in non-compliant recruitment will face strict disciplinary actions under corporate policies to eliminate the risk of child labor to the greatest extent possible.

We respect the labor rights of every employee and firmly prohibit any form of forced labor. In cases where overtime work is unavoidable under special circumstances, we strictly adhere to the principle of voluntariness, ensuring every employee's right to choose. Management engages in face-to-face, thorough communication with employees, ensuring all arrangements are reasonably made based on explicit mutual consensus.

Furthermore, we have set up an employee rights protection hotline and anonymous reporting channels to facilitate feedback and safeguard employee rights. This year, Haidilao has recorded no incidents of child labor or forced labor.

## Diversity, Equity, and Inclusion

Haidilao upholds a culture of diversity, equity, and inclusion, actively fostering a workplace ecosystem that embraces differences. Throughout the employee lifecycle—from recruitment to development and retention—we ensure fairness in core processes such as job arrangement, performance appraisal, promotion and nominations, and incentive distribution. In recruitment, we implement anti-discrimination measures and inclusive selection criteria, focusing on candidates' capabilities and potential while eliminating any form of biases or unfairness due to gender, race, physical health, age, religion, sexual orientation, nationality, or family background in hiring, training, compensation, and promotions. As of December 31, 2024, female accounted for 53.4% of Haidilao's workforce.

We value employment support for disadvantaged groups by innovatively collaborating with third-party agencies to facilitate targeted recruitment. We designed customized employment solutions for individuals with disabilities, including partnerships with special education institutions to host dedicated job fairs with on-site professional support, helping them integrate into the workplace and realize their potential. Also, we continuously improve accessible work environments, offer personalized career guidance, and enhance benefits for special groups, providing an inclusive, equitable, and opportunity-rich platform for professional growth and encouraging employees to unleash their own potential. As of the end of the year, the Company had 262 employees with disabilities in total.

Haidilao has established an anti-sexual harassment center where employees may seek support for any such incidents or concerns. The center provides immediate assistance as needed upon receiving a report and, for cases beyond its scope, anonymously engages specialized departments or external agencies, with associated costs covered by the Company. In 2024, the center received one report of sexual harassment, which was verified and resolved with the employee. Moving forward, we remain committed to fostering a diverse, inclusive, and equitable workplace to drive mutual growth for employees and the Company.

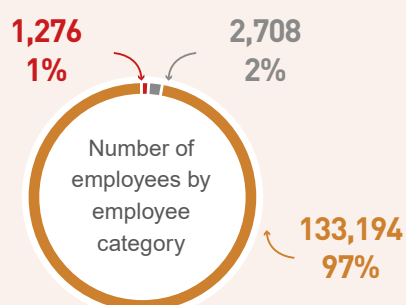
By the end of 2024



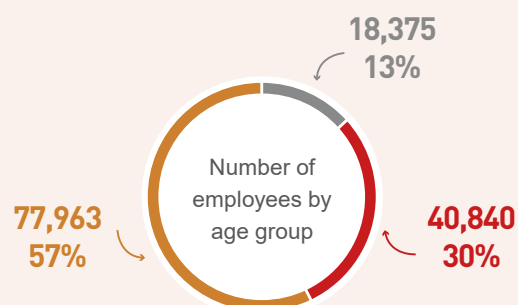
Female Male



Full-time Part-time



Restaurant employees Restaurant managers Headquarters functional staff



Aged 30 and below Aged 31 to 44 Aged 45 and above



## Protecting Employee Rights

Haidilao strives to create a fair, just, and caring work environment. Aligning with industry trends and market conditions, we continuously optimize our compensation and benefits system to ensure internal fairness and external competitiveness, enabling every employee to enjoy their legal rights and achieve personal and professional growth within the Company.

### Remuneration Policy

Haidilao adheres to the principle of equal pay for equal work and regularly review and refine remuneration policy to offer employees competitive remuneration. The Company strictly complies with national regulations and has established comprehensive compensation and incentive systems, including the Remuneration Management Measures of Haidilao Group, the Incentive Program for Family Mutual Assistance, the Measures for the Management of Piece Wages, the Incentive Program for Cadres and Key Employees at All Levels, and the Incentive System for Reopening Closed Restaurants. The policies form a holistic incentive framework covering all employees throughout their career life cycle.

Differentiated compensation plans have been designed based on roles and levels to balance fairness and performance-driven motivation. For grassroots employees, such as general staff at restaurants and delivery personnel, compensation is directly tied to their actual workload, embodying the principle of “more pay for more work” to boost their productivity. When restaurants meet profit targets, outstanding employees will be granted profit-sharing bonuses, allowing them to share in the Company’s success. For restaurant managers, a hybrid structure of “base salary + profit share + performance bonus” is employed, with profit shares linked closely to restaurant performance. For department heads at headquarters, a remuneration model of “base salary + profit share/floating performance pay” is adopted, directly tied to quarterly results.

To further motivate employees, the Company has adopted the Share Incentive Scheme. Under this Share Incentive Scheme, we plan to grant the first batch of share incentives to core employees, including members of the general manager’s executive committee, outstanding regional managers, and heads of functional departments. Through the Share Incentive Scheme, Haidilao aligns the personal interests of executives with the Company’s long-term development, encouraging them to participate in strategic decision-making and operational management as stakeholders, driving the Company’s sustainable development.

### Benefits and Remuneration

#### Employee Benefits

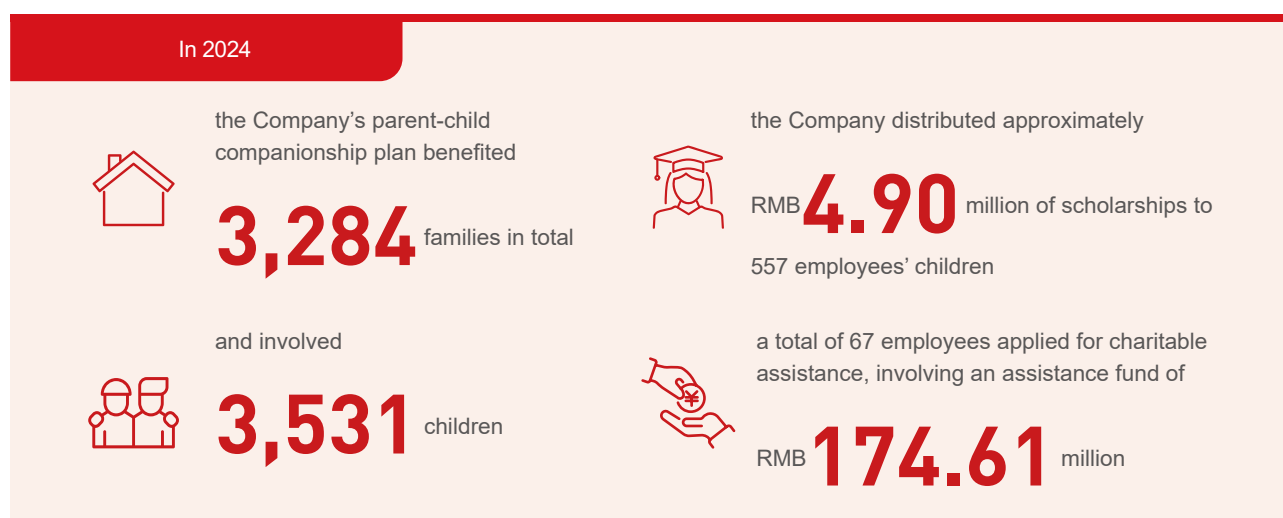
Haidilao is concerned about employees’ mental health and happiness index. We have formulated the Labor Discipline and Benefit System of Haidilao International Holding Ltd., so as to develop an all-round welfare security system for employees at different positions and ranks. The Company strictly implemented the statutory holidays and paid annual leave system as prescribed by the state, and established a holiday system which includes casual leave, temporary leave, sick leave, marriage leave, funeral leave, companionship leave, work injury leave, paternity leave, maternity leave and lactation leave.

We fully respect cultural diversity and acknowledge individual differences among employees. We protected the freedom of religious belief of employees of ethnic minorities, and established ethnic festival holidays such as Eid al-Fitr and Eid al-Adha, to actively build an inclusive and respectful working atmosphere. Meanwhile, we support our employees to provide more parent-child companionship for their children, and encourage them to live with their children in the working place. We have also set up parent-child companionship subsidies, allowing our employees to better balance work and family life. In 2024, the Company’s parent-child companionship plan benefited 3,284 families in total, and involved 3,531 children.

In terms of benefits and remuneration, we established a hierarchical and classified benefit system to ensure that every employee can enjoy benefits and remuneration commensurate with their contributions. The Company offered birthday benefits, children’s education subsidies, spouse visit subsidies, disability subsidies, housing subsidies and other basic benefits to its employees. For the management personnel at the regional manager level or above, the Company provides them with additional childcare subsidies, parental subsidies and benefits of grandparents. For senior employees, we set up seniority wages and a special

reward plan named “Gold Ingots”. In addition, the Company establishes tiered honor medals based on employees' contribution levels, including Medal for Grade-A Restaurant Managers, Silver Bean Award, Gold Bean Award, Second-Class Medal, First-Class Medal and Purple-Gold Medal. Meanwhile, Haidilao pays close attention to the cultivation and development of highly educated talents. For employees with a bachelor's degree or above, we provide a special subsidy, i.e. “Excellent Program Student”. For employees who have worked for more than 3 years in the Company and with an average monthly income of less than RMB30,000, Haidilao provides scholarships to their children who are admitted to college. In 2024, the Company distributed approximately RMB4.90 million of scholarships to 557 employees' children to help them fulfill their dreams.

In addition, we have formulated the Measures for the Management of Relief Fund, and established an assistance mechanism for employees in hardship, so as to provide timely assistance in various forms, including medical aid, living subsidies, etc., to employees who encounter sudden difficulties. Regional managers and heads of various departments conduct an investigation into the situation of employees in hardship in their respective regions every quarter. They assist employees in need in applying for the special assistance fund. Once the situation is verified, the Company promptly initiates the approval process for payment. One month after the approval of the assistance application, the labor union will conduct a follow-up visit to care for the assistance applicant, so as to avoid potential issues caused by insufficient assistance. In 2024, a total of 67 employees applied for charitable assistance, involving an assistance fund of RMB174.61 million.



## Employee Communication

We have created an open, transparent and efficient communication environment for employees, and established multi-dimensional communication channels including suggestion boxes, employee communication conferences, employee tea parties, employee satisfaction surveys and labor union. We regularly collect employees' opinions, suggestions and feedback on the problems, and promptly provide related support. In 2024, the restaurants conducted employee satisfaction surveys on a monthly basis, focusing on such aspects as the taste of the staff meals, the comfort level of the dormitories, the degree of perfection of the equipment and facilities, the satisfaction with the family-like working environment and the protection of employees' welfare rights and interests. The participation rate of restaurant employees in the survey exceeded 80%. Regarding all kinds of issues raised by employees, the Company actively formulates and implements rectification plans.

In addition, the Company established several efficient problem feedback platforms, such as the Labor Union Information Contact Person, the Feishu Labor Union Service Desk and the Parent-Child Companionship Service Desk, to ensure that there are dedicated channels for solving various types of problems. For example, the Feishu Labor Union Service Desk helped, in the form of human services, employees solve problems within the scope of the labor union's responsibilities, ensuring that the specialists can respond promptly and handle matters efficiently.

To further monitor the feedback and resolution effectiveness of issues, the Company has established an appeal mechanism. Employees can directly contact the regional labor union specialist, or directly reach out to the superior competent department through the Feishu platform to provide feedback on the resolution effectiveness. Upon receipt of an appeal, the competent department will immediately assign a dedicated person to conduct investigations, evaluations and follow-ups to facilitate the thorough and proper handling of the issues. We promise that all employee appeals will receive a response within the shortest possible time, and we will provide employees with continuous support and assistance.

## Employee Care

We have provided employees with a series of care measures for their physical health, including regular physical examinations and reimbursement of medical expenses. The labor union of Haidilao regularly organized festival condolences, spring outings, team-building activities, KEEP check-in competitions, parent-child education activities, staff fellowship parties as well as knowledge competitions on the maintenance of employees' welfare rights and interests. Moreover, we have launched an online psychological class, namely "EAP (Employee Assistance Plan) Mental Power (心動力)", to comprehensively protect the well-being of employees.

### Case

#### Haidilao Parent-Child Summer Camp

From July 8 to August 23, 2024, Haidilao assisted 12 major regions in organizing 13 parent-child summer camp activities. A total of 536 children participated in such activities, and all the activity expenses were borne by the Company. The summer camp featured diversified courses such as traditional culture, national defense technology, military training, natural science and American-style sports. Through fun games and interactive experiences, it helped children develop innovative thinking, enhance their spirit of challenge, and learn practical life skills like financial management, time management and self-management, thus comprehensively improving children's overall quality. The satisfaction survey conducted after the event shows that the satisfaction of employees with the summer camp exceeds 90%.



### Case

#### "EAP Mental Power (心動力)" Psychological Class

To further promote the steady development of the work on care for employees' mental health, comprehensively improve the overall mental health level of employees, enhance their psychological adjustment ability, and prevent and alleviate psychological stress, Haidilao innovatively launched an online Employee Assistance Plan mental health management class in the employee training courses. This class comprehensively popularized mental health knowledge through various forms such as interesting psychological tests, comics-based interesting psychological conjectures, the push of "Soul Station" content and mental health lectures. It helped employees identify and deal with psychological problems like depression, strengthened employees' awareness of mental health management, and injected mental power into employees.

## Creating a Safe Workplace

At Haidilao, we believe that safety is the starting point of a happy working life. Through a systematic safety management system and the design of a human-oriented working environment, we have established comprehensive occupational health protection for our employees.

### Safety Management System

Haidilao upholds the work safety policy of “safety first, prevention focused, and comprehensive management”, strictly abides by the Law of the People’s Republic of China on Work Safety, the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases and other laws and regulations, and has formulated several internal policies, such as the Haidilao Restaurant Work Safety Management Manual, the Occupational Health Management System and the Fire Safety Management Manual. We provide employees with safety training in aspects such as work safety, operation guidelines, as well as the prevention and response to emergency incidents, and daily labor protection, to safeguard the occupational health and safety of employees.

### Restaurant Safety Management Framework

With the work safety responsibility system at the core, the safety management framework of Haidilao implements the principle of implementing responsibilities at all levels and involving everyone:

- Restaurant manager is the primary person responsible for work safety in the restaurant and signs a safety commitment with the Company;
- Restaurant safety officer signs a work safety responsibility letter with the restaurant manager, and is responsible for tasks such as restaurant safety training, identification and rectification of potential hazards, and correction of non-compliant behaviors, so as to ensure the implementation of safety measures;
- The heads of various departments, such as the lobby, back office and duty, sign safety target responsibility letters with the restaurant manager to fulfill the safety responsibilities of their respective departments;
- All employees sign work safety responsibility letters with the heads of their respective departments to implement the safety responsibilities of their positions.

In addition, the restaurants have set up the work safety management committee, work safety leading group, and accident identification and handling leading group, to jointly promote the efficient implementation and continuous improvement of work safety management.





# Safety Risk Control

Haidilao strictly controls occupational health and safety risks, regularly conducts special safety management and emergency management, reduces the possibility and impact of safety accidents, and continuously improves the level of work safety.

## Safety Hazard Control

Each year, Haidilao conducts identification of sources of danger, completes risk assessment, and formulates hierarchical control measures for sources of danger. During the daily operations, we conduct comprehensive safety inspection, professional safety inspection, seasonal safety inspection, holiday safety inspection and routine safety inspection on restaurants, for the purpose of making a comprehensive identification of safety hazards. For flammable and explosive chemicals, we strictly implement the requirements of limited use and standardized storage to ensure that sources of danger are effectively controlled. Meanwhile, we carry out regular repair and maintenance of equipment, with prominent no-smoking and no-open flame signs displayed in the warehouse, to further strengthen safety management.

### Improvement of Smash Incidents

To avoid injury incidents such as fractures caused by hurting people with the table-connecting baffle, we innovatively promoted the table-connecting baffle damper. Since the table-connecting baffle dampers were installed and put into use in 502 restaurants nationwide in August 2024, as of the end of 2024, no incidents of customers or employees being injured by the baffles have occurred in any restaurant.

### Improvement of Fall Incidents

To reduce the occurrence of fall incidents, we promoted anti-slip stickers for slopes to 521 restaurants nationwide in 2024, effectively preventing employees and customers from falling in slope areas. Meanwhile, we carried out tests on anti-slip agents and new-type anti-slip shoes, and provided 48,000 pairs of comfortable and anti-slip sports shoes for employees in 2024.

## Fire Safety Management

Fire risk control is one of the key points of the safety management of Haidilao. The Company implements a three-level fire safety inspection system, and performs inspections before, during, and after work for all posts each day, to ensure that fire and electricity are used in accordance with relevant requirements, safety evacuation indication signs and emergency lighting are in good condition, gas and electrical equipment and fire-fighting facilities are in good condition, and emergency exits and evacuation passageways are unblocked. The design, installation and maintenance of the automatic sprinkler system and automatic fire alarm system shall strictly comply with national standards. Safety evacuation and refuge facilities shall be properly installed in the restaurants according to their environmental characteristics, and emergency exits and evacuation doors shall be arranged in a dispersed manner to ensure the compliance with national standards. All restaurants and employee dormitories are equipped with fire extinguishers, gas masks and other fire equipment, to ensure safety protection in emergency situations. In 2024, the Company carried out 5,562 fire safety inspections in Haidilao restaurants and 924 inspections in our startup brand restaurants.

In 2024,

the Company carried out



**5,562** fire safety inspections  
in Haidilao restaurants

and



**924** inspections in our  
startup brand restaurants



## Occupational Health of Employees

To protect the occupational health of employees, Haidilao formulated the Regulations on Management of Labor Protection Equipment and Haidilao Delivery Rider Safety Rules. The Company provides restaurant employees with goggles, rubber gloves, waterproof aprons and other labor protection supplies, provides delivery employees with helmets, knee pads and thermal equipment, and provides employees working in low-temperature scenarios with cold-proof down jackets, and etc. based on work needs. Moreover, the Company purchased accident insurance for every employee (including part-time workers) in addition to pension insurance, health insurance, unemployment insurance, disability insurance, maternity insurance and housing fund, offering an additional health guarantee.

## Emergency Management and Response to Incidents

In terms of emergency management, Haidilao has formulated the Emergency Rescue Management System, the Daily Emergency Manual and other systems and regulations, to clearly define the emergency management organization and emergency management personnel, and establish an emergency rescue team. The Company updates the emergency response plan for restaurants on a regular basis, to guide the restaurants in emergency management, emergency rescue training, drills and emergency rescue operations for production safety accidents, ensuring timely and appropriate response to emergency accidents and minimizing the harm brought by emergencies. In 2024, the Company conducted a total of 22 emergency drills, covering the response to fire, electrical shock, mechanical injury, burning and fire, gas leakages and other incidents.

In the event of any emergency incident, the restaurants will report and handle such incident in strict accordance with the Accident Management System and the System for Reporting and Investigating Production Safety Accidents, to ensure timely response and minimize the harm.

To enhance employees' self-protection awareness, the Company organized a total of 50 KYT risk prediction training activities in 2024, covering such aspects as traffic safety, smashes, cuts, collisions, falls and burns, with an implementation rate of more than 98% in restaurants. The Company made a total of 83 Haidilao accident case cards focusing on catering-related safety incidents, and required all restaurant employees to study the same.



In 2024,



the Company conducted a total of

**22** emergency drills

the Company organized a total of

**50** KYT risk prediction training activities

the Company made a total of

**83** Haidilao accident case cards

## Safety Awareness Education

Haidilao attaches great importance to employees' safety awareness education. Through a systematic training system, we improved employees' safety skills and emergency response capabilities, thereby reducing the occurrence of safety incidents. The Company formulated the Safety Training & Education Management System, clarified the training goals, regularly conducted the "three-level" education of work safety, and ensured that the coverage rate reaches 100%. For employees at special positions and new employees, we strengthened the training requirements:

- Special operators must go through professional training, and 100% of the special operators have qualified certificates;
- New employees need to receive no less than 24 hours of safety training. The training content covers safety technical knowledge, operating procedures, safety systems, strictly prohibited matters and the accountability for work safety. They cannot start working before passing the assessment;
- The e-bike maintenance and traffic rules are additionally included in the safety evaluation of delivery employees.

We carried out safety education and training through multiple channels, both online and offline, including on-the-job training, safety knowledge education, training on laws and regulations, and risk management training, etc., so as to increase the training rate for various safety topics. In 2024, we conducted a total of 23 online live broadcasts of safety training on topics such as common safety accidents and their prevention, safety warnings during holidays, hidden danger standards, and common safety issues. The number of participants in the examination reached 60,074 with a passing rate of 90.93%. Additionally, we conducted 15 offline safety training sessions, with a cumulative number of 526 participants. Moreover, we established the training and certification requirements for backup security staff in restaurants. In 2024, a total of 921 employees passed the certification, and the security staffing of the restaurants met the regulatory requirements.

Fire drill training is an important part of the safety awareness education of Haidilao. The Company required restaurants to regularly carry out publicity and education on fire laws, regulations and fire safety knowledge, organized employees to learn the usage methods of fire-fighting equipment and first-aid methods against electric shock, and strengthened the training effectiveness through watching safety education videos, practical exercises and other means. In 2024, the Company carried out a total of 2,700 fire drills, with about 117,000 participants.

Through a systematic safety training system, Haidilao achieved 100% participation rate of employee safety training and education, 100% certificate holding rate of the principal persons in charge and safety management staff, 100% participation rate of training on risk recognition and control, and 100% participation rate of training on new laws and regulations for related staff.



Offline safety training conducted by Haidilao

# Empowering Employee Development

By developing a systematic training and development system, Haidilao continuously enhanced employees' professional skills and comprehensive qualities. At the same time, we opened up broad career development spaces for employees, and promoted the coordinated growth of employees' personal values and the enterprise's goals.

## Talent Training

Haidilao always believes that the growth of employees is the driving force for the sustainable development of the enterprise, and provides training support for all employees. Since the establishment of the learning and development center in 2010, the Company has been striving to drive the strategic development of the enterprise, preserve corporate culture, accumulate the best business practices and cultivate practical reserve personnel. By upholding the concept of "Changing destinies through practice and achieving dream with wisdom", Haidilao provided multi-level and diverse forms of training opportunities to employees at different posts in restaurants, covering cultural, institutional, business skills, knowledge courses and sand-table expansion activities. Through the combination of online and offline methods, we empowered all members of the Company and helped to improve employee capabilities and enhance the competitiveness of the Company.

In 2024, Haidilao further optimized the talent training strategy, and worked out differentiated learning solutions according to the needs of employees at different stages and posts. The Company provided a total of 74 training courses throughout the year, including online and offline business skills training, corporate culture promotion and management experience empowerment training, with 5,334 participants. Among them, the headquarters has organized 9 sessions of training course for backup restaurant managers and 6 sessions of training course for management trainees, providing employees with systematic career development support. In addition, the Company has issued 1,679 updates on systems and employee psychological construction on our online learning platform, with a cumulative number of nearly 4 million participants. To enhance the training effectiveness, Haidilao has innovatively launched a game-based learning platform, "Manman Academy ( 滿滿學堂 )", which is currently at the testing and improvement stage, and will enhance the learning experience of restaurant personnel by means of interaction.

### Training course system of Haidilao

On-the-job training		Skill training
<ul style="list-style-type: none"> <li>• Training course for backup restaurant managers</li> <li>• Training course for lobby managers</li> <li>• Training course for persons-in-charge</li> <li>• Training course for management trainees</li> <li>• Training course for new employees of functional departments</li> <li>• Clerk training course</li> </ul>	<ul style="list-style-type: none"> <li>• Training course for quality inspectors</li> <li>• Backbone training course</li> <li>• Training course for warehouse keepers</li> <li>• Trainer training course</li> <li>• Training course for back hall managers</li> <li>• Training course for dedicated account manager</li> </ul>	<ul style="list-style-type: none"> <li>• Course on financial statements</li> <li>• Dancing noodles course</li> <li>• Special training course on online operation</li> <li>• Face changing course</li> <li>• Magician training course</li> </ul>

In addition, we developed a multi-level talent incubation system through the training program for interns for university-enterprise cooperation, the training program for restaurant management trainees and the training program for regional management trainees, to continuously empower the growth of employees.

## Fair Promotion

Adhering to the concept of "hardworking people", Haidilao has created a systematic and transparent career development system for employees. Employees can obtain promotion opportunities through self-recommendation and job competition. We firmly believe that every employee can change their fate through their own efforts. We not only pay attention to employees' working skills, but also attach great importance to their moral characters, such as integrity, innovation, diligence and kindness.

We have formulated the Measures for Selecting Cadres at All Levels of Haidilao, established a 10-level promotion channel ranging from grass-roots positions to regional managers, and designed a supporting set of 188 professional courses to empower employees' growth in all aspects. Employees can plan their own occupational development paths through the promotion chart, and gradually become industry-leading professionals.



# 04 GREEN DEVELOPMENT

Upholding the concept of green development, Haidilao takes the initiative to adopt measures to address climate change during our business operations, strengthens the supervision of emissions, improves the utilization efficiency of energy resources, and reduces the negative environmental impact of corporate operations through specific actions.

● Tackling Climate Change	59
● Pursuing Green Operation	63

Alignment with SDGs:







## Tackling Climate Change

Haidilao actively responds to the national goals of carbon peaking and carbon neutrality. Referring to the framework suggestions put forward by the Task Force on Climate-related Financial Disclosures (TCFD), we take the initiative to promote the identification of climate change-related risks and opportunities, formulate targeted response plans, enhance the climate adaptability of our business, and drive the low-carbon development of the Company.

### Governance

Haidilao has incorporated the governance of climate change issues into the Company's overall sustainable development management framework. The Board, as the highest decision-making body for the Company's ESG affairs, is responsible for reviewing and determining the objectives related to climate change. The management and the ESG working group attach great importance to the identification of and response to climate change-related risks, actively promote the climate strategy, lead each operating unit to implement the climate action plan, and report to the Board on a regular basis.

### Strategy

Haidilao closely tracked the dynamics of global climate policies and the progress of related actions, and paid attention to the impact of climate change on the catering industry. In combination with the actual situation of enterprise operations and the mainstream climate scenario analysis framework, we systematically identified, assessed and addressed the risks and opportunities brought about by climate change. The Company deeply integrated climate governance into our strategic planning, continuously enhanced our own climate resilience, and kept improving the ability of our supply chain partners to address climate change. Based on our strategic development objectives, business operation characteristics, and the influence on the value chain, we have established a sound mechanism for identification of climate risks and opportunities. We conducted in-depth analysis of the risks and potential opportunities brought about by climate change, and assessed the resulting financial impacts, so as to provide scientific decision-making support for the sustainable development of the enterprise.

### Identification and Management of Climate Risks and Opportunities

According to the particularity of the industry and the current situation of our own business operations, Haidilao identified the physical risks and transition risks related to climate change, explored the potential opportunities brought about by climate change, and formulated corresponding mitigation measures accordingly.

We have defined short-term, medium-term, and long-term time frames for climate-related risks and opportunities. We consider within 1 to 2 years as the short term, 3 to 4 years as the medium term, and 5 years or more as the long term. The specific climate risks and opportunities are as follows:

Physical risks and countermeasures				
Type of risk		Potential impact	Response measures	Time frame
Acute physical risk	Natural disasters such as floods and typhoons, as well as extreme weather events	In severe weather, employees' commuting, the delivery business, and the food ingredient supply from suppliers are likely to be affected, resulting in an increase in operating costs and a decrease in operating revenue.	<ul style="list-style-type: none"><li>During extreme weather events, restaurants and delivery business independently and reasonably adjust their operating hours and work schedules</li><li>Adopting a diversified supply chain strategy to avoid excessive reliance on a single source</li></ul>	Short term
Chronic physical risks	Changes in climate patterns such as persistent high temperatures, drought and water shortage, and sea-level rise	Long-term climate change may affect the Company's food ingredient supply, the quality of food ingredients, as well as the physical health of employees, leading to an increase in operating costs and a decrease in operating revenue.	<ul style="list-style-type: none"><li>Adopting a diversified supply chain strategy to avoid excessive reliance on a single source</li><li>Installing intelligent control system in the kitchen to ensure optimal storage conditions for food</li><li>Enhancing employees' awareness of heat-related diseases, and providing employees with more cooling facilities</li></ul>	Long term
Transition risks and countermeasures				
Type of risk		Potential impact	Response measures	Time frame
Policy and legal risks	Environmental regulations upgrades	The Company is facing increasingly stringent ESG public disclosure requirements. Failure to meet the compliance disclosure requirements may lead to penalties or damage to the Company's reputation, resulting in an increase in operating costs and a decrease in operating revenue.	<ul style="list-style-type: none"><li>Continuously monitoring the development trends of laws and regulations related to sustainable development and carbon emissions</li><li>Strengthening energy conservation management, promoting digital and intelligent innovation, reducing the energy consumption in restaurants, and lowering the carbon emissions generated during distribution</li></ul>	Medium term
Technical risk	Pressure from the transition to low-carbon technologies	The Company needs to promptly invest human resources and resources in the transition to low-carbon technologies, resulting in an increase in research and development expenses.	<ul style="list-style-type: none"><li>Updating technology, developing and implementing new low-carbon and energy-saving technologies or facilities, such as replacing with low-carbon kitchens and energy-saving cookers, to improve energy usage efficiency</li></ul>	Long term
Market risk	Shifts in market demands	Consumers tend to choose environmentally friendly catering brands. If the Company's climate actions are not proactive enough, it may affect the brand image and consumer loyalty, leading to a decline in operating revenue.	<ul style="list-style-type: none"><li>Strictly managing carbon emissions in restaurants and building green restaurants</li><li>Reducing food waste by means of precise procurement, optimizing inventory management, and promoting the "Clear your plate" campaign</li></ul>	Long term
Reputation risk	Enhancement of public's environmental awareness	The public pays more attention to the Company's actions in response to climate change. If the Company makes insufficient efforts in carbon emission reduction or there is negative information in this regard, it will have a negative impact on the Company's brand reputation, resulting in a decline in operating revenue.	<ul style="list-style-type: none"><li>Actively communicating with stakeholders such as the public and customers through various channels, and disseminating the Company's green and low-carbon concepts, as well as its actions and achievements in digital and intelligent innovation</li></ul>	Long term
Opportunities related to climate change				
Type of opportunity		Potential impact	Response measures	Time frame
Opportunities related to products and services	Growing market demand for green food	The demand of consumers for green food such as plant-based food and low-carbon ingredients has increased, bringing new business opportunities and boosting operating revenue.	<ul style="list-style-type: none"><li>Offering a more diverse range of green dishes, such as spinach and fresh pea shoots</li></ul>	Long term
Opportunities related to resource efficiency improvement	Energy conservation and emission reduction, cost reduction and efficiency improvement	The Company reduces operating costs through intelligent operation and the use of energy-saving equipment.	<ul style="list-style-type: none"><li>Carrying out the replacement of energy-saving equipment, strengthening the construction of smart restaurants, and implementing the concept of intelligent operation</li></ul>	Long term

# Risk Management

Haidilao has incorporated the identification, assessment, response and monitoring of climate change-related risks and opportunities into the Company's ESG risk management process. This includes identifying climate change-related risks and opportunities, assessing the impact of various risks or opportunities on the Company's business operations, formulating relevant response measures, and monitoring the implementation of these measures. The aim is to effectively control climate change-related risks, seize climate change-related opportunities, and promote the Company's low-carbon development.



## Identification of climate-related risks

Continuously paying attention to climate-related regulations and policies as well as market development trends, identifying physical risks and transition risks that may affect the business operations of Haidilao, understanding the potential causes and consequences of these risks, and forming a list of Haidilao's climate-related risks and opportunities.



## Assessment of climate-related risks

Regularly assessing the impact of physical risks and transition risks on the Company. Taking "fixed assets" and "revenue" as key indicators to measure the extent to which climate change-related risks affect Haidilao's financial condition.



## Response to climate-related risks

Based on the assessment results of each climate-related risk, formulating climate targets and risk response measures, and urging each operating unit to implement the climate action plan, so as to reduce the impact of climate change on the Company's financial condition.



## Monitoring of climate-related risks

The management regularly supervises the effectiveness of the climate risk response measures and the progress of relevant targets, optimizes the strategies, and ensures that the climate targets are achieved as scheduled.



## Metrics and Targets

We have formulated the greenhouse gas (GHG) emissions target: From 2022 to 2026, average annual GHG emissions per unit of operating revenue reduce by 12% compared with 2021.

To achieve this target, we actively explore carbon emission reduction measures in aspects such as energy conservation in restaurants and logistics management through energy conservation management, publicity and implementation, as well as digital empowerment and technological application, and strive to achieve the goal of reducing GHG emissions.

### In the restaurant business

We carried out energy-saving projects such as the “Central Air Conditioning Heat Recovery Project” and the “Intelligent Ground Exhaust Project” to reduce the GHG emissions during the restaurant operation process.



### In the delivery business

We have implemented unified logistics management to ensure full vehicle loads, and made optimal delivery route planning via our smart order dispatching system, so as to reduce GHG emissions from vehicles during the delivery process.



We have examined thoroughly GHG emission of restaurants, delivery and offices under Haidilao, and the main emissions come from the fuel combustion of fixed equipment, the fuel combustion of vehicles, and the electricity consumption during the operation process. This year, Haidilao's GHG emission per unit of operating revenue was 22.14 tCO<sub>2</sub>e/RMB1 million, representing a year-on-year decrease of 1.6%. The GHG emission per unit of operating revenue decreased by 16.7% compared to that of the benchmark year.

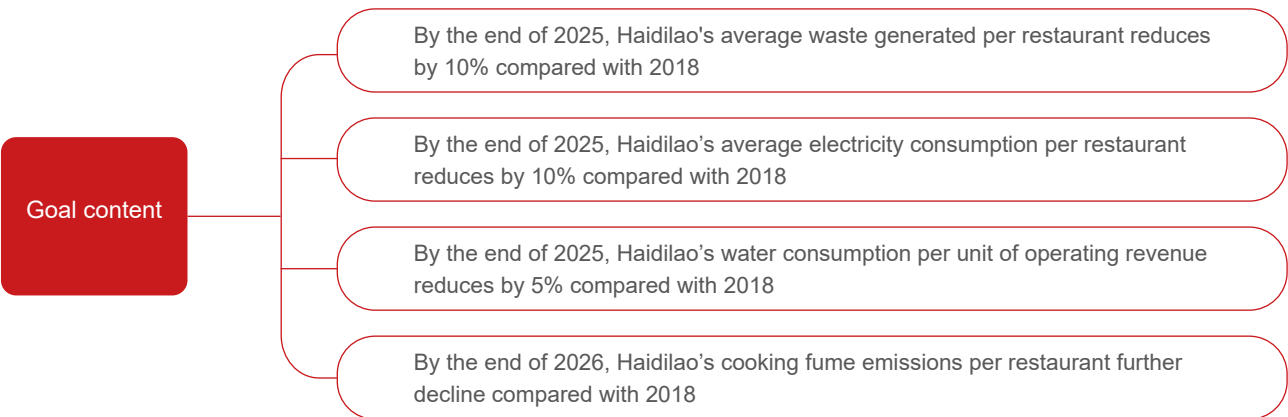
### Quantitative indicators:

Indicator	Unit	Data in 2024
Total GHG emission (Scope 1 and 2)	tCO <sub>2</sub> e	946,407.23
GHG emission per unit of operating revenue	tCO <sub>2</sub> e/RMB1 million	22.14
Direct (Scope 1) GHG emission	tCO <sub>2</sub> e	118,426.46
Intensity of direct (Scope 1) GHG emission	tCO <sub>2</sub> e/RMB1 million	2.77
Indirect (Scope 2) GHG emission	tCO <sub>2</sub> e	827,980.77
Intensity of indirect (Scope 2) GHG emission	tCO <sub>2</sub> e/RMB1 million	19.37

## Pursuing Green Operation

In response to the call of “green catering”, Haidilao actively adopted energy conservation and emission reduction measures, optimized the energy utilization structure, and promoted green food ingredients and packaging. While striving to ensure customer satisfaction, we aimed to reduce the impact on the environment and contribute to the construction of a green, low-carbon and environmentally friendly catering industry. In this year, Haidilao had not encountered any litigation related to environmental pollution, or get involved in any major environmental fines.

Our progress towards this year’s green operation goals are as follows:



## Food Loss and Waste Management

### Food Waste Management

Haidilao has deeply cultivated the catering field. In strict compliance with the Anti-food Waste Law of the People's Republic of China and other relevant laws and regulations, we have formulated and implemented the Management System of Eliminating Food Waste, to comprehensively optimize resource utilization efficiency from multiple aspects such as restaurant operation, supply chain management to delivery services, so as to minimize food waste, and fulfill our environmental protection responsibilities.





## Restaurant

At the restaurant level, through the close cooperation between the front hall and the kitchen, the Company has implemented a number of measures to significantly reduce food waste. In the front hall service, Haidilao has reconstructed the traditional dining habits in the catering industry through the “semi-dish” and the product design of the four-grid hotpot soup bases. At present, approximately 80% of customers actively choose semi-portion dishes, and more than half of the consumers select the combination of “hotpot soup base + clear water” to order food according to their needs. To further strengthen the awareness of conservation, theme posters such as “Half Portion, Full Heart” and “Order Smart, Waste Not” are continuously played in a loop on the in-restaurant electronic screens, ordering IPADs and mini-programs, advocating customers to order moderately. In addition, we set up “Clear Plate Advocate” in the restaurants every day, who wears eye-catching identification signs to advocate customers to cherish food and reduce waste. At the time of ordering, service staff will recommend dishes to customers based on the number of diners. After meals, food packing services will be provided to further reduce the waste of leftover food.

In the kitchen, the Company has optimized the dish processing procedures. We eliminated the flower decorations for 70% of the dishes. For some dishes, edible ingredients are used as the base linings. For example, lettuce leaves that are not suitable for being served individually due to their shapes and sizes are used as the cushion leaves for other dishes, fully tapping the value of the ingredients and reducing waste. In addition, we implemented the “Seiri, Seiton, Seiketsu, Seiso and Safety” 5S management in warehouses. We implemented “visualized management” in the warehouses and stalls of all restaurants. Through measures such as the rational planning of goods placement, limiting food stock levels, and purchase limits, and the inventory turnover rate has been effectively improved, significantly reducing the waste caused by expiration or improper storage. Meanwhile, we implemented “estimated ingredient preparation” in the kitchen on a pilot basis, to make reasonable ingredient preparation based on the expected number of tables for the day. We processed dishes according to different peak periods, to ensure that there is no excessive processing during peak hours and no waste during low-demand periods.

## Delivery

In the delivery service, on the basis of offering semi-portion dishes and four-grid hotpot soup bases, Haidilao has launched delivery packages tailored to scenarios such as single-person dining, two-person dining, and multi-person dining, making it convenient for customers to order food rationally according to the number of diners. At the same time, consumption reminders like “Cherish food and refuse waste” and “Order an appropriate amount of food for an environmentally friendly and healthy meal” have been set up on the Haidilao APP, mini-program, and third-party ordering platforms to remind customers to order wisely to reduce food waste.

## Supply chain

At the supply chain end, Haidilao leverages the advantages of our own supply chain. Some ingredients are centrally processed in the central kitchen and uniformly distributed to the restaurants, reducing the amount of discarded ingredients during rough processing at the restaurants and saving processing man-hours. At the same time, the delivery of goods from sub-warehouses has been adjusted from large-packaging shipments to small-packaging shipments, which saves transportation capacity, improves the inventory turnover rate of the restaurants, and reduces the waste caused by product backlogs and expiration. In addition, the Company actively cooperates with suppliers to adjust the packaging specifications of products that come in large packages and are difficult to store after being opened. By changing the large-sized packaging of ingredients into small-sized packaging, it reduces the waste caused by the inability to use up the ingredients in one go after opening the package at the restaurants.

Haidilao actively explores innovative technological means to promote the efficient utilization of food resources. Haidilao plans to further accelerate the update and iteration of self-developed equipment and promote its use. Currently, self-developed fryers and self-developed soup dispensers have been piloted in some restaurants, effectively saving labor and reducing waste of oil, soup, etc. The Company has carried out technical improvements on dishes that have high storage requirements and are prone to deterioration. For example, through the technical improvement of thawing water loss and texture of pig aorta, it has solved the problem of the deteriorated taste of pig aorta caused by improper temperature control during low-temperature storage, and reduced food waste.

## Waste Management

Haidilao strictly complied with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and other laws and regulations, and established sound waste management systems, including the Management System of Routine Waste Disposal, the Environmental Protection Responsibility System, the Guidance for Waste Classification in Restaurants and other internal systems. The Company strengthens process control starting from the source, and realizes the classified management of waste during the production and operation process.

The main sources of waste generated by Haidilao are waste grease, recyclable waste, non-recyclable kitchen waste, and hazardous waste. For different categories of waste, Haidilao has established corresponding treatment processes to ensure that all types of waste are disposed of in an efficient and environment-friendly manner. This year, the average waste recycled per restaurant was 14.25 tons, and the average waste oil per restaurant was 37.95 tons, with the waste oil disposal rate reaching 100%.

In 2024



The waste oil disposal rate reached

100%



### Waste grease

Haidilao has formulated the Kitchen Waste Grease Disposal Process to ensure the standardized collection, storage and disposal of waste grease. During the renovation process, Haidilao requires that all restaurants shall be equipped with standard grease traps, small oil-water separators under the sink and other oil-water separation facilities in strict accordance with the relevant laws and regulations and the requirements of the mall property management companies. For the collected waste grease, the Company entrusts it to a waste oil recycling service provider, which is recognized by the government, has the qualification for waste oil collection and transportation, and has passed the on-site factory audit, for compliant disposal.

In order to strengthen the implementation of environmental protection responsibilities, we have signed contracts with waste oil recycling service providers. When transferring waste oil, we require the restaurants to supervise the cleaners to take on-site photos, send them to the food safety officers of the restaurants for record-keeping, and fill out waste oil transfer forms to retain proof. The restaurants conduct tracking, supervision and assessment of the waste oil recycling service provider on a semi-annual basis to ensure compliant disposal. The Company has also incorporated the proper disposal of waste grease into the key indicator system of the restaurants' performance assessment. Moreover, a regular sampling inspection mechanism has been implemented, randomly checking the restaurants' waste oil disposal methods and their final destinations every month.



### Kitchen waste

Haidilao continuously promotes the technical innovation project for kitchen waste. By renovating and optimizing the existing cleaning equipment in restaurants, the cleaning degree of tableware and equipment themselves can be improved. At the same time, the clean water and heat energy in the cleaning process are recycled and reused, saving water resources and reducing electricity consumption. At present, this optimized equipment has been successfully applied in 53 restaurants, achieving a 10-15% reduction in kitchen waste and a 10% increase in the utilization rate of waste oil for these restaurants.



### Hazardous waste

For hazardous wastes such as discarded electronics, discarded dry batteries, and discarded light bulbs, the Company implements a post-disposal sealed-container storage system. These materials are then transferred to qualified recyclers for harmless treatment under the supervision of the Company to ensure compliant operations of the recyclers.

## Use of Resources and Emissions Management

### Energy Management

Haidilao strictly adheres to relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China, and has established the Control Standards for the Use of Air Conditioners in Strong and Weak Electrical Rooms, Control Standards for the Use of Lighting Lamps in Restaurants, Control Standards for the Cooling of Air Conditioners, and Control Standards for the Use of Induced Draft Fans, to ensure optimal and efficient energy utilization.

Haidilao integrates energy-saving and emission-reduction strategies into its energy management plans, and actively adopts advanced technologies to reduce energy use. Alongside ongoing advancement of technological innovation, the Company further implements energy-saving measures in its daily operations. For instance, it is clearly stipulated that dishwashers must be powered off during non-business hours, and restaurant lighting brightness shall be adjusted flexibly based on customer traffic to achieve efficient energy use.

#### Central Air Conditioning Heat Recovery Project

Haidilao has developed a central air conditioning heat recovery project, saving electricity and gas consumption while extending the lifespan of air conditioning units. In this year, Haidilao successfully integrated its central air conditioning heat recovery system with its cold storage heat recovery system and expanded its implementation. The third-generation heat recovery equipment was upgraded with features such as IoT data collection and fault warning alerts. In 2024, Haidilao rolled out central air conditioning heat recovery to 232 additional restaurants, representing a year-on-year increase of 53.6%.

#### Intelligent Ground Exhaust Project

Haidilao launched the intelligent ground exhaust project to address the issues of high energy consumption of traditional ground exhaust systems and the difficulty of timely turning off the ground exhaust to save energy when there is no one walking around. Through technological innovation, this initiative achieves resource savings and energy efficiency improvement. During the year, Haidilao successfully developed the fourth-generation wireless intelligent ground exhaust system, established a comprehensive operation and maintenance management system for intelligent ground exhaust, and proceeded with the implementation of the project in all aspects. In 2024, Haidilao expanded the deployment of intelligent ground exhaust system to 73 additional restaurants.



## Water Resource Management

Haidilao always regards the rational use and efficient protection of water resources as a key aspect of sustainable development, striving for promoting refined and efficient water resource management through scientific approaches and technological innovation. We strictly comply with laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, and have established a series of standards like the Control Standards for the Use of Dishwashers, Standards for the Operation Process of Vegetable Washing in the Rough Processing Room, Control Standards for the Cleaning Operation of Dishwashers and Pot Washers, and Control Standards for the Cleaning Operation of Floors to ensure the standardized and traceable use of water resources throughout the processes.

Haidilao primarily sources its water supply from municipal pipelines. To enhance water resource conservation, we have proactively implemented a series of water-saving initiatives that have substantially reduced our water consumption:



### Equipment upgrades

The Company has fully introduced water-saving sanitary fittings and high-efficiency water equipment, achieving 100% water-saving upgrades for water facilities in restaurants, and reducing water use at the source.



### Process optimization

The Company had innovated a “three-tank cycling” cleaning process through graded water use and recycling, to significantly improve water efficiency in rough processing. Meanwhile, low-temperature detergents and smart cleaning equipment have also been introduced to significantly reduce backwashing rates on the premise of maintaining food quality and safety standards.



### Awareness cultivation:

The company organizes water conservation awareness initiatives for employees on a non-scheduled basis, promoting the habit of conserving water “drop by drop” and eliminating leaks or continuous running water.

Sewage generated by the Company is mainly from kitchens. To ensure proper treatment, the Company centralizes sewage processing at restaurants, ensuring compliance with discharge standards. At the same time, we actively explore new paths of resource utilization of sewage, such as reusing treated sewage for scenarios with low water quality requirements, such as toilet flushing and greening irrigation in restaurants, thus achieving recycling of sewage.





## Waste Gas Emissions Management

Cooking fumes are the primary source of the Company's waste gas emissions. To monitor and manage emissions effectively, the Company has established internal systems such as the Cooking Fume Pipelines Cleaning System and implemented management measures tailored to the operation of the Company.

### Equipment maintenance and cleaning



Dedicated personnel is arranged to regularly clean cooking fume pipelines, and conduct maintenance, upkeep and inspection of fume purifiers to ensure proper operation thereof and avoid air pollution.

### Ventilation system optimization



To further reduce cooking fume emissions, the Company has been gradually optimizing kitchen ventilation systems through measures such as the rational layout of ventilation ducts and increase of exhaust volumes, effectively lowering cooking fume concentrations in kitchens.

### Employee training



Through case explanations and practical demonstrations, the Company regularly trains employees on cooking fume emission-related knowledge, reinforcing their awareness of standardized practices in daily operations.

## Developing a Circular Economy

Upholding the environmental principles of resource conservation and green office, Haidilao has formulated the Paper Saving Management Requirements to regulate paper usage within the Company. Office paper consumption is reduced through measures such as prioritizing recyclable paper, implementing digital office, and encouraging double-sided printing. Furthermore, waste paper is reused and centrally collected for recycling and processing.

In terms of packaging management, we adhere to the principles of environmental friendliness and a circular economy. The Haidilao Plastic Limitation Management Specification has been formulated to strictly regulate the selection of packaging materials. Priority is also given to biodegradable and recyclable eco-friendly packaging materials, with a view to reducing unnecessary packaging at the source and enhancing the recycling rate of packaging materials. As a response to environmental calls with concrete actions, Haidilao undertakes not to proactively offer disposable products, and to firmly reject to use non-degradable disposable plastic products.

In providing takeaway and delivery services, Haidilao integrates environmental principles into the details. For all packed ingredients, the Company uses sustainable packaging materials to ensure food freshness and safety while minimizing environmental impact. During the year, Haidilao reduced its paper cup usage by 3% as compared to the previous year.





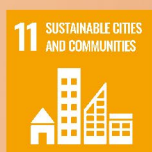
# 05 EMPOWERING THE COMMUNITY

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Upholding the philosophy of “spreading warmth with love”, Haidilao actively fulfills its corporate social responsibility by giving back to the society and promoting sustainable social development through community investment and charitable actions. We focus on multiple areas such as rural revitalization, educational support, disaster relief, and environmental protection, practicing the responsibilities of a corporate citizen through tangible efforts.

● Empowering Community Development ----- 71

Alignment with SDGs:



## Empowering Community Development

Haidilao considers empowering community development as a vital part of fulfilling its social responsibility. Through diverse participation initiatives, we bring about positive changes to the society, promote the sustainable development of the community, and share the development achievements with community residents.

### Community Services

Haidilao actively engages in community affairs, maintaining close communication with local communities. We fully support community building and development through Party-building guidance, joint collaboration, and volunteer service initiatives. We also promote environmental protection concepts and advocate green lifestyles in the community through various forms such as volunteer lectures, mobile stalls, and afforestation.

#### Case

#### "Party members take the lead in building a green and beautiful homeland" Voluntary Tree-planting Activity

On 12 March, 2024, on the occasion of the 46<sup>th</sup> Arbor Day, the Party branch of Haidilao Haikou Mingzhu Road Division participated in the "Party members take the lead in building a green and beautiful homeland" voluntary tree-planting activity carried out by the local community. Together with the cadres, the masses, and the primary school students organized by the Party Committee and the District Government of Longhua District, Haikou City, the participants divided the work and collaborated with each other, and efficiently completed the tree-planting task. According to statistics, a total of 150 trees, including *Tabebuia rosea*, *Phellodendron chinese*, *Syzygium samarangense*, etc., were planted in this activity, increasing the green area by approximately more than 4,000 square meters.

#### Case

#### "Waste Sorting, Zero Waste" Themed Environmental Protection Activity

On May 25 and 26, 2024, the Zhengzhou Market Supervision Administration Bureau partnered with Haidilao and other catering businesses to organize parent-child families to visit restaurants and carry out the "Waste Sorting, Zero Waste" themed environmental protection activity, conveying tips on combating food waste in catering, and creating a good atmosphere of co-governance and shared enjoyment of food safety. Haidilao's Zhengzhou No.14 Restaurant carried out a visual transformation of the warehouse. By reasonably planning the warehouse partitions and the turnover of materials, it has enabled various materials to have obvious positioning and quantitative markings, which has improved the utilization efficiency of the warehouse, avoided the occurrence of expiration and deterioration, and effectively reduced waste.

# Public Welfare and Charity

Haidilao has long been dedicated to giving back to the society, and fulfilling its corporate social responsibility through active participation in various charitable activities. Through various forms such as donating supplies, offering volunteer services, and supporting educational development, we bring warmth and care to the people and regions in need.

This year, Haidilao received multiple honors in public welfare and charity:



Haidilao demonstrates its commitment to public welfare across multiple fields, encourages employees to engage in charity and contributes to rural revitalization. In 2024, Haidilao made charity donation of RMB5.523 million, conducted 1,885 volunteer services and charitable activities.



<sup>6</sup> PRC: the People's Republic of China.





Case

Pairing Assistance for a New Chapter of High-quality Development in Rural Revitalization

In May 2024, Haidilao provided pairing assistance to Hefeng Town, Jianyang City, and promoted recruitment lectures, free lectures, and industrial joint-construction activities. Haidilao organized the “Haidilao Hotpot Recruitment Talk” and created a “government + enterprise” human resources supply-demand docking platform, thereby supporting talent development in Hefeng Town. Additionally, Haidilao held a public welfare mental health lecture for the middle school in Hefeng Town to care for the physical and mental health of minors. In Nongmin Village and Beiya Village of Hefeng Town, Haidilao’s procurement staff conducted planting exchanges and technical guidance with the person in charge of Jianyang Heyifeng Agricultural Development Co., Ltd. to advance the future development of industrial joint-construction. This assistance facilitated Haidilao’s beneficial collaboration with Hefeng Town, promoting urban-rural integration and achieving a “win-win” situation between local economic development and enterprise development.





## Case

## Post-Disaster Relief for Typhoon “Yagi”

On September 6, 2024, Typhoon “Yagi” made landfall along the coast of Wenchang, Hainan at the super typhoon level, bringing severe wind and rain impacts to Haikou. It caused a large number of houses to be damaged, roads to be blocked, and difficulties in the lives of the masses. On September 7 and 8, the region under the charge of Zou Hongmei joined hands with the Party branch of Haidilao Haikou Mingzhu Road Division to actively respond to the call of the Party branch of Jinmao Street in Longhua District, organizing Party members and employees to participate in the post-disaster relief work after Typhoon “Yagi”. They participated in emergency rescues and transported consolation supplies. Together with the forces from all sectors of society, they built a solid safety line and jointly safeguarded their homeland.



Pennant Received by the Party branch of Haidilao Haikou Mingzhu Road Division

## Case

## Haidilao Partnered with Alibaba to Launch the Strategic Cooperation on Rural Revitalization

In June 2024, Haidilao partnered with Alibaba to launch the “Leishan Fish Sauce Sour Project”. After market research and field visits, Haidilao’s team procured over 300 tons of fish sauce sour, integrated the same into its sour soup hotpot base with minor adjustments to the flavor, and then launched the Leishan sour soup hotpot on the market. In 2024, the sales volume of Leishan sour soup hotpot has exceeded 7,000,000 servings, making it a popular product in summer. This collaboration has significantly boosted the visibility of Leishan fish sauce sour, spurred the development of pepper cultivation and other local industries, and increased farmers’ incomes.

In September 2024, Haidilao and Alibaba launched the “Thriving Rural Communities · Industrial Co-Prosperity Initiative”, furthering the cooperation on rural revitalization. The project would focus on dimensions such as industrial revitalization, technological revitalization and talent revitalization, and encompass multiple aspects, including direct supply of agricultural products, development of rural specialty products, upgrading of rural products, brand co-building and marketing promotion, and rural talent training and employment. Going forward, this plan will start with more rural specialty products. Through the pilot of characteristic projects, it will expand the scale and value of the upstream and downstream of industrial chains, so as to continuously enhance product competitiveness and drive the diversified development of rural economies.



Haidilao Leishan Fish Sauce Sour Opening Ceremony



Signing Ceremony for the Strategic Cooperation on Rural Revitalization between Haidilao and Alibaba

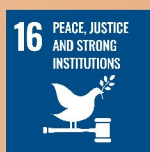


# 06 OPERATING WITH INTEGRITY

Haidilao adheres to operating with integrity, abides by business ethics, persistently optimizes its corporate governance system, and promotes its business operations under the principles of openness and transparency. We constantly improve our risk management mechanism and system construction, and proactively build a bridge of trust with investors, partners and all sectors of society, thereby laying a solid foundation for the Company to achieve sustainable and high-quality development.

● Corporate Governance and Risk Control	77
● Business Ethics and Anti-corruption	79

Alignment with SDGs:



# Corporate Governance and Risk Control

Haidilao constructs a scientific, regulated and efficient governance mechanism to ensure that decision-making is scientific and democratic, and that implementation is robust and effective. Meanwhile, we consistently strengthen our risk awareness, establish a sound risk control system, and comprehensively enhance the Company's ability at risk prevention and response, so as to provide a solid guarantee for the Company's steady development.

## Corporate Governance

Haidilao considers corporate governance as a highly material issue. We strictly comply with laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China. Moreover, the Company has developed internal systems, including the Management Standard for Department Responsibilities and Post Responsibilities of Haidilao International Holdings Ltd.. In this way, we aim to build a scientific, regulated and efficient governance system. The Company has established the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Corporate Governance Committee to assist the Board in enhancing the governance level.

Haidilao endeavours to achieve diversity in the Board. The Company has publicly made a statement on the Board Diversity Policy. In selecting candidates for the Board, the Company strictly follows the Board Diversity Policy, taking into account multiple factors such as gender, age, cultural background, education experience, professional skills, and length of service, etc.. We aim to build a Board team with diverse backgrounds and exceptional competencies, ensuring the quality of decision-making and governance level. In 2024, the Company had a total of 12 directors, including 2 female directors, accounting for approximately 17%.





## Compliance and Risk Control

Haidilao upholds the principle of operating with integrity. In particular, the Company has developed compliance management systems such as the Inspection Alert System, to create a multi-layered and comprehensive risk management system. The Company has also developed various systems, such as the Risk Management System. In this way, we have constructed a risk management structure based on the “Three Lines of Defense” under the leadership of the Board, which enables us to focus on major risk control and continuously optimize the risk management model.

In 2024, through an analysis of the materiality of risks faced by the Company during the course of business operation and the corresponding solutions, the strategic risk, financial risk, market risk, operational risk, and legal risk are still listed as the primary risks. For major and important risks, we have established a dynamic monitoring and early warning mechanism. We have also set up risk warning lines, and established a flexible risk control framework between the minimum and maximum risk tolerance levels, thus ensuring that risks remain within a controllable range.

### Three Lines of Defense in Risk Management



Haidilao has built up an internal control system which is under the direct supervision of the Board to monitor management's implementation and maintenance of this system. The Company has a full-time internal audit agency at its headquarters, which uniformly organizes, manages, and reports the audit work of the Company to the Audit Committee. The Audit Committee is responsible for communication, supervision and unified verification for both internal and external audits, monitoring the effectiveness of risk management, and controlling and managing risks. This dual supervision further ensures the compliance and transparency of our operation.





# Business Ethics and Anti-corruption

Adhering to high level of business ethics management, Haidilao has established a comprehensive business ethics system and anti-corruption mechanism. We continually deepen the construction of a integrity culture, and constantly innovate the forms and contents of training, to jointly foster a fair and transparent business ecosystem with our employees.

## Business Ethics Management

Haidilao upholds the principles of business ethics and anti-corruption to foster a business environment featuring integrity, transparency, and compliance. The Company strictly abides by laws and regulations such as the Anti-unfair Competition Law of the People's Republic of China and the Criminal Law of the People's Republic of China. Haidilao has established internal systems, including the Anti-fraud and Anti-corruption Management Regime, the Prohibition Management Measures of Haidilao, the Anti-Money Laundering Management Regime of Haidilao International Holding Ltd., the Integrity Practice Commitment, Haidilao Internal Complaint Management Measures, the Resignation Audit System of Haidilao, Routine Audit System Prior to the Regularization and Appointment of Key Positions of Haidilao and Haidilao Group Measures for Integrity Management. We explicitly require all employees, suppliers, and business partners to jointly comply with high-standard codes of conduct. We also conduct regular audits on business ethics practices to ensure that the Company always adheres to the principles of fairness, justice and integrity in the operation process.

### Complaint and whistleblowing acceptance process

Haidilao encourages its employees and the public to enhance their sensitivity to anti-corruption and actively report any acts in violation of business ethics. The Company has in place multiple whistleblowing channels, including Feishu Audit Department Service Desk, a reporting hotline, and a reporting e-mail address. These complaint and whistleblowing channels are displayed in public areas within all departments and restaurants to ensure awareness of them among employees and the public.

### Protection of whistleblowers

Haidilao safeguards the legal rights and interests of whistleblowers. As such, they may report by providing information in an anonymous manner via audio, text, or other ways. The department which receives and accepts the reports must strictly keep confidential the whistleblower's information and the content of the report. In the event of any leakage of the whistleblower's information or the report content, the act of the person who leaked the information will be deemed as a violation of Article 6 "Leaking Company Secrets" of the Prohibition Management Measures. Depending on the severity, the Company may take measures against the person who leaked the information, such as notice of criticism, serious warning, probation, demotion, removal from office, or dismissal. Furthermore, the Company fully protects the whistleblowers who report issues in a truthful way, including applying for protective transfer, to prevent the whistleblowers from undue interference or pressure.

The Company strictly prohibits any form of retaliation. In the event of any such retaliatory behaviour, the Company will, subject to the severity, take disciplinary measures against the person involved, including issuing a notice of criticism, demotion, removal from office, or dismissal, thereby firmly safeguarding the whistleblower's legal rights and interests.

For the property losses incurred as a result of the whistleblowing act, Haidilao undertakes to provide compensation to the whistleblower. In principle, the amount of compensation shall be borne by the responsible entity that caused the losses. To further encourage employees to actively engage in our anti-corruption efforts, we have established a dedicated reward mechanism to commend and reward whistleblowers who provide important clues and assist the Company in identifying major issues.

### Prevention of corruption risks

The Company takes various measures to prevent the risks of corruption. In particular, the inspection department conducts regular audits on risk personnel in functional departments. Before officially appointing employees to key positions, a regularization audit is carried out on these employees. Prior to the resignation or transfer of any employees at or above the manager level, a departure audit is conducted on such employees.

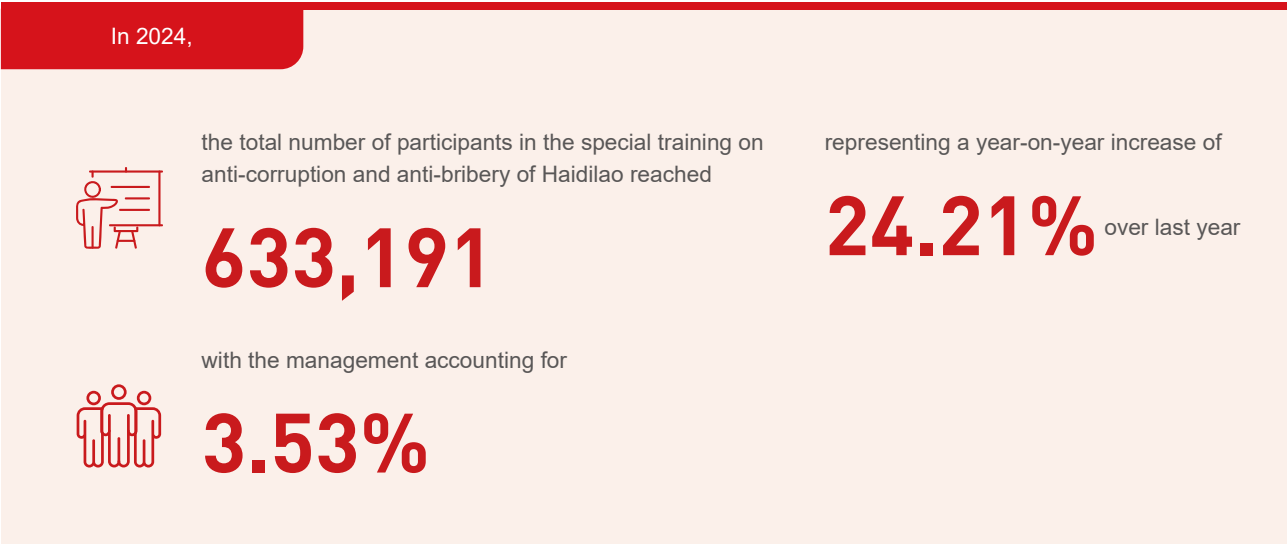
Furthermore, the inspection department has built up a close collaboration mechanism with the internal audit department and other business departments of the Group. If any abnormal circumstance is identified by any department during the process of business data analysis, such department may apply for the intervention of the inspection department for verification. The inspection department will then conduct the verification according to the procedures for handling inspection-related issues and synchronize the verification results to the internal audit department of the Group.

To further enhance risk control efficiency, the inspection department has established an inspection risk control system, to monitor the data of the Company in real-time and issue alerts for abnormal data. Based on these alerts, the inspection department carries out data analysis and examinations, significantly increasing inspection efficiency and promptness of handling.

## Integrity Culture Building

Haidilao fosters a integrity culture among its directors and all employees through continuous training and publicity on business ethics and anti-corruption. Each year, Haidilao organizes all staff to complete training and examinations on relevant anti-fraud and anti-corruption systems, and issues mandatory reading certification and conducts tracking, thus ensuring that every employee can deeply understand and strictly abide by the Company's systems. When major cases or judicial cases are verified, we will carry out warning education and publicity for all management personnel at or above the restaurant manager level. By analyzing cases of corruption, we will enhance the legal awareness and professional ethics of the management. Haidilao's business ethics training covered the entire Company and all staff, including all full-time and part-time employees, as well as the dispatched employees.

Haidilao requires all new employees to sign an "Integrity Practice Commitment" upon onboarding, clarifying their responsibilities and obligations regarding integrity in employment. Before the probation period of the new employees ends, Haidilao continuously provides training and learning sessions on corporate culture and related system. During the training and assessment for backup restaurant managers, we conduct special training on anti-corruption systems and cases to enhance their anti-corruption awareness and understanding of professional ethics, laying a solid foundation for their future job performance. Furthermore, we prepare the promotional posters of inspection cases on a monthly basis. These posters are then sent to all employees and restaurants nationwide via the Feishu Service Desk for inspection and email, and restaurant managers are required to organize employees to study them. In 2024, the total number of participants in the special training on anti-corruption and anti-bribery of Haidilao reached 633,191, representing a year-on-year increase of 24.21% over last year. In particular, all directors, supervisors, department heads, and general managers of branches/subsidiaries have taken part in the training, with the management accounting for 3.53%.



# APPENDIX

## APPENDIX I KPI TABLES

### Environmental Performance<sup>7</sup>

Aspect		Metric	FY 2024	Unit
Emissions	Nitrogen oxides (NO <sub>x</sub> ) emission		2,025.99	kg
	Particulate matter (PM) emission		190.53	kg
	Direct (Scope 1) GHG emission <sup>8</sup>		118,426.46	tCO <sub>2</sub> e
	Intensity of direct (Scope 1) GHG emission		2.77	tCO <sub>2</sub> e/RMB1 million
	Indirect (Scope 2) GHG emission <sup>9</sup>		827,980.77	tCO <sub>2</sub> e
	Intensity of indirect (Scope 2) GHG emission		19.37	tCO <sub>2</sub> e/RMB1 million
	Total GHG emission (Scope 1 and 2)		946,407.23	tCO <sub>2</sub> e
	GHG emission per unit of operating revenue		22.14	tCO <sub>2</sub> e/RMB1 million
	Hazardous waste discharge <sup>10</sup>		0	Ton
	Non-hazardous waste generated	Waste cooking oil generated	51,427.72	Ton
		Recyclable waste generated	19,312.95	Ton
		Unrecyclable kitchen waste generated	175,703.57	Ton
	Total non-hazardous waste generated		246,444.23	Ton
	Non-hazardous waste generated per unit of operating revenue		5.76	Ton/RMB1 million
	Average waste generated per restaurant		181.88	Ton/number of restaurants
Use of Resources	Natural gas consumption		54,170,545.00	m <sup>3</sup>
	Natural gas consumption per unit of operating revenue		1,267.01	m <sup>3</sup> /RMB1 million
	Total electricity consumption		1,543,779,525.15	kWh
	Electricity consumption per unit of operating revenue		36,107.84	kWh/RMB1 million
	Average electricity consumption per restaurant		1,139,320.68	kWh/number of restaurants
	Total comprehensive energy consumption		2,130,002,672.82	kWh
	Comprehensive energy consumption per unit of operating revenue		49,819.16	kWh/RMB1 million
	Total water consumption		22,595,529.94	m <sup>3</sup>
	Water consumption per unit of operating revenue		528.49	m <sup>3</sup> /RMB1 million
	Package material usage	Meal box	2,502.44	Ton
		Drinking straw	265.13	Ton
		Drinking cup	707.71	Ton
		Packing bag	4,884.88	Ton
		Disposable tableware	758.98	Ton
		Carton	0.41	Ton
		Ziplock bag	950.53	Ton
	Total package material usage		10,070.08	Ton
	Package material usage per unit of operating revenue		0.24	Ton/RMB1 million

<sup>7</sup> The above environmental data covers restaurants, delivery and offices of entities under Haidilao International Holding Ltd.

<sup>8</sup> The calculation of GHG emission refers to the Corporate Accounting and Reporting Standard under Greenhouse Gas Protocol issued by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC).

<sup>9</sup> The grid emission factors used in the calculation of Scope 2 refer to the Announcement of the Release of the 2022 CO<sub>2</sub> Emission Factors for Electricity released by the Ministry of Ecology and Environment, 2023 Electricity Carbon Emission Factor issued by Energy Administration, Ministry of Economic Affairs of Taiwan, CLP's 2024 Sustainability Report issued by CLP Holdings Limited, HK Electric Investments Sustainability Report 2023 issued by HK Electric Investments Limited, and CEM Sustainability Report 2023 published by Companhia de Electricidade de Macau - CEM, S.A.

<sup>10</sup> The hazardous waste of the Company this year has been fully recycled or resold, thus hazardous waste discharge was zero.

## Social Performance

Aspect	Indicator		FY 2024	Unit
Employment	Total number of employees		137,178	Person
	Number of employees by gender	Male	63,885	Person
		Female	73,293	Person
	Number of employees by employment type	Full-time	80,337	Person
		Part-time	56,841	Person
	Number of employees by employee category	Restaurant employees	133,194	Person
		Restaurant managers	1,276	Person
		Headquarters functional staff	2,708	Person
	Number of employees by age group	Aged 30 and below	77,963	Person
		Aged 31 to 44	40,840	Person
		Aged 45 and above	18,375	Person
	Number of employees by geographical region	Mainland China	134,582	Person
		Hong Kong, Macau and Taiwan regions	2,571	Person
		Overseas regions	25	Person
	Employees with disabilities		262	Person
	Employee turnover rate		67	%
	Turnover rate by gender	Male	68	%
		Female	66	%
	Turnover rate by age group	Aged 30 and below	75	%
		Aged 31 to 44	45	%
		Aged 45 and above	38	%
	Turnover rate by geographical region	Mainland China	67	%
		Hong Kong, Macau and Taiwan regions	45	%
		Overseas regions	11	%
	Turnover rate of employees with disabilities		20	%
Health and safety	Work-related fatalities in FY 2022		4	Person
	Percentage of work-related fatalities in FY 2022		0.0034	%
	Work-related fatalities in FY 2023		1	Person
	Percentage of work-related fatalities in FY 2023		0.0007	%
	Work-related fatalities in FY 2024 <sup>11</sup>		1	Person
	Percentage of work-related fatalities in FY 2024		0.0007	%
	Lost days due to work injury in FY 2024		44	Day

<sup>11</sup> Work-related fatality: The employee succumbed to injuries sustained in a traffic accident while commuting in July 2024, despite immediate medical attention. All work-related death benefits have been disbursed.

Aspect	Indicator		FY 2024	Unit
Development and Training	Percentage of employees trained by gender	Male	47	%
		Female	53	%
	Percentage of employees trained by employee category	Restaurant employees	97	%
		Restaurant managers	1	%
		Headquarters functional staff	2	%
	Average training hours by gender	Male	319.03	Hour
		Female	271.97	Hour
	Average training hours by employee category	Restaurant managers	44.62	Hour
		Headquarters functional staff	11.67	Hour
Supply Chain Management	Total number of suppliers (excluding overseas regions)		2,070	Unit
	Number of suppliers by geographical region (excluding overseas regions)	Mainland China	1,746	Unit
		Hong Kong, Macau and Taiwan regions	324	Unit
Product Responsibility	Total products sold or shipped subject to recalls for safety and health reasons		434	Ton
	Number of products and service related complaints received		102,312	Case
	Complaint resolution rate		100	%
Anti-corruption	Number of concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting period		0	Case
Community Investment	Charitable donation amount		552.3	RMB10,000

## Economic and Governance Performance

Aspect	Indicator	FY 2024	Unit
Operation	Operating revenue	4,275,468.7	RMB10,000
	Total number of existing self-operated restaurants in the Greater China regions during the reporting period	1,355	Unit
Corporate Governance	Number of directors	12	Person
	Number of female directors	2	Person



## APPENDIX II: INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Main scope	Description	Relevant chapters
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	Pursuing Green Operation
A1.1	The types of emissions and respective emissions data.	Appendix I KPI Tables
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Appendix I KPI Tables
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Appendix I KPI Tables
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Appendix I KPI Tables
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Pursuing Green Operation
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Pursuing Green Operation
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Pursuing Green Operation
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Appendix I KPI Tables
A2.2	Water consumption in total and intensity.	Appendix I KPI Tables
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Pursuing Green Operation
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.	Pursuing Green Operation
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Appendix I KPI Tables
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Pursuing Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pursuing Green Operation
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Adhering to Compliant Employment Protecting Employee Rights

Main scope	Description	Relevant chapters
B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I KPI Tables
B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I KPI Tables
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Creating a Safe Workplace
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I KPI Tables
B2.2	Lost days due to work injury.	Appendix I KPI Tables
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Creating a Safe Workplace
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Employee Development
B3.1	The percentage of employees trained by gender and employee category.	Appendix I KPI Tables
B3.2	The average training hours completed per employee by gender and employee category.	Appendix I KPI Tables
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Adhering to Compliant Employment
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Adhering to Compliant Employment
B4.2	Description of steps taken to eliminate such practices when discovered.	Adhering to Compliant Employment
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Co-building a Responsible Supply Chain
B5.1	Number of suppliers by geographical region.	Co-building a Responsible Supply Chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Co-building a Responsible Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Co-building a Responsible Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Co-building a Responsible Supply Chain
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Focusing on Food Safety Improving Food Quality Safeguarding Consumer Rights
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Focusing on Food Safety
B6.2	Number of products and service related complaints received and how they are dealt with.	Crafting Thoughtful Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Improving Food Quality
B6.4	Description of quality assurance process and recall procedures.	Improving Food Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safeguarding Consumer Rights

Main scope	Description	Relevant chapters
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics and Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Anti-corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Empowering Community Development
B8.1	Focus areas of contribution.	Empowering Community Development
B8.2	Resources contributed to the focus area.	Empowering Community Development

