



卫龙美味全球控股有限公司  
WEILONG DELICIOUS GLOBAL HOLDINGS LTD

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 09985.HK

# 2024

## Environmental, Social and Governance Report



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# About This Report

## Overview

This report is the 2024 Environmental, Social, and Governance (ESG) Report released by WEILONG Delicious Global Holdings Ltd. ("WL Delicious", "Weilong", or "the Company") and its subsidiaries ("we", "our Group" or "the Group"). It transparently discloses the Group's practices in fulfilling its responsibilities to key stakeholders such as shareholders, customers, partners, employees, the environment, and the community, as well as its performance in environmental, social, and governance (ESG) aspects. The report covers the activities of the financial year from January 1 to December 31, 2024, referred to as "the Reporting Period" or "this fiscal year". This report also includes some information that traces back to previous years or extend into 2025.

## Reporting Scope and Boundary

The policies and data provided in this report cover the Group, and the scope of the report is consistent with the annual report. Unless otherwise specified, all monetary figures in this report are in Renminbi (RMB), and all intensity data are based on the Group's revenue data for 2024 as the denominator.

## Preparation Basis

This report is prepared in accordance with Appendix C2, the *Environmental, Social, and Governance Reporting Guide (the "Reporting Guide")*, of the Listing Rules of HKEX.

### Materiality

The Company identifies environmental, social, and governance issues that are significant or relevant to the Company and its stakeholders through active online and offline engagement with stakeholders. The disclosures in this report are informed by the findings of the materiality assessment;

### Quantification

The key performance indicators disclosed in this report are quantifiable;

### Balance

This report provides a balanced view of the Company's performance in environmental, social and governance aspects;

### Consistency

This report employs a data disclosure approach consistent with previous years, allowing for comparison across different years. Any changes that might affect meaningful comparisons with past reports are explained in the relevant sections.

## Source of Data and Assurance

The data and case studies in this report are primarily sourced from the Group's statistical reports and related documents. The Board of Directors of the Group affirms that this report does not contain any false records or misleading statements and is responsible for the truthfulness, accuracy, and completeness of its contents.

## Confirmation and Approval

After being confirmed by the management, this report was approved by the Board of Directors on March 27, 2025.

## Access and Feedback to This Report

The electronic version of this report is available on the Company's official website:

<https://www.weilongshipin.com/ESG/>

We highly value the views of stakeholders and the public regarding this report. Should you have any inquiries or suggestions, please feel free to contact us at: [ir@wlsbjt.com](mailto:ir@wlsbjt.com).

# Message from the Management



The year 2024 marks a remarkable and shining milestone for Weilong. Staying true to our mission of "To Let the World Fall in Love with Chinese Flavors", we have continued to drive innovation, advance our ESG strategy, and foster comprehensive progress across multiple dimensions, including corporate governance, product innovation, environmental protection, employee development, and social responsibility. Through these efforts, we are continuously writing new chapters in our journey of high-quality and sustainable growth.

We remain committed to upholding compliance as the cornerstone of our operations, consistently refining our governance framework and strengthening risk management at every stage of our business activities. By rigorously enforcing business ethics and cultivating a culture of integrity, we are dedicated to fostering a transparent and fair commercial environment.

Balancing health and innovation, we prioritize research and development to offer consumers a diverse selection of nutritious and innovative products. Product safety and quality are at the heart of our operations, and we have implemented stringent quality control measures spanning product testing, production management, and supplier oversight. This ensures a comprehensive quality assurance system that extends from product development and manufacturing to consumer services.

As a pioneer and advocate of green development, we are fully committed to environmental responsibility. By enforcing strict regulatory compliance, driving energy-efficient technological upgrades, and advancing sustainable packaging solutions, we are enhancing our ecological performance and safeguarding natural resources. Furthermore, we have strengthened our climate governance framework, proactively identifying risks and opportunities related to climate change. Through improved greenhouse gas management and comprehensive contingency planning, we are bolstering resilience while collaborating with stakeholders to mitigate environmental impacts.

We firmly believe that our employees are the driving force behind high-quality development. To this end, we have built a competitive employee benefits and rights system, fostering a diverse, equitable, and inclusive workplace where employee well-being is truly valued. Our talent development strategy emphasizes continuous improvement in training and career development programs, providing employees with growth opportunities while nurturing a high-caliber workforce that realizes its full potential.

Beyond business success, we remain deeply committed to our corporate social responsibilities, consistently generating positive societal impact. We actively contribute to rural revitalization, industrial advancement, education, and the preservation of intangible cultural heritage. Through diverse philanthropic initiatives and volunteer programs, we explore meaningful ways to empower communities in alignment with Weilong's core values, contributing to long-term social progress.

Looking to the future, we will steadfastly pursue sustainable development with greater determination and action. By accelerating our ESG strategy, we aspire to lead the spicy snack food industry toward a greener, healthier, and more sustainable trajectory.





# About Us

## Business Overview

### Introduction of the Group

Founded in 2001, WEILONG Delicious Global Holdings Ltd. (stock code 9985.HK) has steadfastly upheld the core values of "Integrity, Innovation, Customers First, Employee Oriented" for over two decades. Through relentless efforts, the Company has evolved from a small food processing factory into the largest modern enterprise in China specializing in spicy snack foods, integrating research and development, production, and sales.



Entered the pre-IPO round of financing and introduced strategic institutional investors.

2021

Shanghai Weilong Biotechnology began operations. The construction of the Xinglin Plant in Luohe City started.

2020

The founders, Mr. Liu Weiping and Mr. Liu Fuping, started their venture in Luohe City, Henan Province, created the first Latiao snack.

2001

Applied for the Wei Long trademark.

2003

The Xinglin Plant in Luohe City commenced partial production. The Company was listed on the main board of The Stock Exchange of Hong Kong Limited on December 15, 2022.

2022

Established 22 sales regions and developed an omni-channel sales and distribution network by integrating online and offline resources.

The manufacturing facility of Weidao Foods was completed and commenced production, significantly enhancing automation levels and production capacity.

2019

Founded Ping Ping Foods and established operations in Luohe Industrial Park.

2004

The Overseas Business Development Center was established to expand international operations. The Company accelerated the development of an integrated online and offline omni-channel presence.

2023

Rapidly expanded production capacity. Implemented the globally leading SAP information management system. Launched self-operated online store on JD.com to further boost online sales.

2017

Construction and production began at the second factory of Ping Ping Foods. Wei Long Big Latiao and Mini Latiao snacks were introduced to the market.

2006-2010

Multiple marketing-limited edition products and new flavors launched. The Company enriched the product portfolio, and bolstered the development of omnichannel strategies and brand building.

2024

Implemented a series of brand and marketing strategies to upgrade the brand image.

2015-2016

Engaged several well-known celebrities as product ambassadors to increase brand recognition. Expanded the production capacities of seasoned flour products and bean-based products. Introduced stretch film wrapping machines and other automation equipment to improve the production process. Opened self-operated online store on Tmall, one of China's leading e-commerce platforms, to enhance online brand promotion.

2010-2015





### Product and Business Development

Inspired by traditional Chinese flavors, the founders of our Group began their journey with seasoned flour products, commonly known as "Latiao", laying the foundation for Weilong's business. After years of development, Weilong has grown into a prominent player in China's spicy snack food industry, and has successfully built a widely recognized brand, earning the trust and support of countless consumers while cultivating strong brand loyalty.

Our Group focuses on the R&D, production and sales of seasoned flour products, vegetable products, bean-based products, and other categories. Our key products include Big Latiao (大面筋), Mini Latiao (小面筋), Konjac Shuang (魔芋爽), Fengchi Kelp (风吃海带), Soft Tofu Skin (软豆皮), and "XIAO MO NV" Vegetarian Tripe ("小魔女"素毛肚) among others.

Driven by innovation, our Group continuously expands its product portfolio to meet evolving consumer needs, strengthening its competitiveness while ensuring sustainable growth. With a multidisciplinary team specializing in food engineering, safety, nutrition, polymer chemistry, and biology, we drive technological advancements and product upgrades. We also invest in digitalization, smart operations, and intelligent manufacturing to enhance efficiency and build a modern, high-performing operational system.

To keep pace with evolving consumer trends, we are expanding our sales channels, focusing on supermarkets, convenience store chains, and e-commerce platforms favored by young consumers. As of the end of the Reporting Period, we partner with 1,879 offline distributors, with our products reaching numerous countries and regions across the globe. At the same time, we are strengthening our e-commerce presence, leveraging social media to build an engaging, youthful brand that inspires young consumers and drives brand advocacy.

### Mission, Vision and Values



#### Our Mission

To let the world fall in love with Chinese flavors



#### Our Vision

Making authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled and automated, ultimately build a great business that brings joy and happiness to people for 123 years



#### Our Values

Integrity,  
Innovation,  
Customers First,  
Employee Oriented

#### Integrity

- Integrity is about shielding oneself from external pressures and temptations, maintaining a calm mindset, and returning to the essence of things while thinking and acting with a business owner's mindset.
- Integrity requires being resilient, questioning, and daring to challenge; through critical thinking, one captures the core of matters.
- Integrity is about self-discipline, not imposing expectations on others; when problems arise, one must first look to oneself for accountability.
- Integrity sets a standard for cooperation with others—never taking advantage of others.
- Integrity goes beyond honesty; even without explicit promises, one must fulfill what should be done.
- Think about others, the situation, and the future.
- The bottom line: avoid deceit and never greedily take even a bit more than is due.

#### Innovation

- Innovation is the only way to survive.
- Innovation = higher expectations + co-creation.
- Disruptive innovation = "unreasonable" expectations + co-creation.
- Simplify complexity, be efficient and pragmatic.
- The bottom line: do not hinder or sabotage others' innovation.



- Focus on consumer experience, offering quality and efficient service, sharing experiences, and growing together.
- Understand the business, establish standards, let data speak, measure results, and manage in a closed loop.
- The bottom line: maintain a respectful attitude toward customers, never ignore their concerns or pass the responsibility.

- Continuously optimize the working environment and experience for employees, provide clear communication channels and feedback mechanisms, and create a joyful, happy workplace atmosphere.
- Clearly define company, department, and individual goals, and establish a performance culture—no "one-size-fits-all" approach.
- Talent selection prioritizes internal promotion, with talent pool focusing on two levels; only by nurturing successors can one earn opportunities for promotion and salary increases.
- The bottom line: respect others, avoid cliques, refrain from abusing power, and maintain unity.

#### Customers First

#### Employee Oriented

Core Values and Behavioral Guidelines

### Economic Performance

As a leading enterprise in China's spicy snack food industry, we leverage our significant brand effect and product competitiveness to continuously upgrade our products, channels, brand, and supply chain, earning greater recognition from consumers.

In 2024, we seized opportunities in the market, accelerated product development and innovation, and consistently met the diverse needs of the market, achieving steady revenue growth. By the end of the Reporting Period, the Group's annual revenue reached RMB 6,266.3 million.

Annual revenue RMB **6,266.3** million

Honors and Awards

Capital

Outstanding Listed Company Award

STOCKSTAR

2024 Crystal Ball Award for Listed Companies – Best ESG Management Listed Company

Capital Week

Brand

31st China International Advertising Festival – Great Wall Awards Annual Nominated Brand

CHINA ADVERTISING ASSOCIATION

HURUN China Chic Brands Top 100

HURUN REPORT

2024 Most Reputable Listed Companies Ranking

National Business Daily

Most Valuable Consumer Company Award

zhitongcaijing.com

2024 Top 500 Chinese Domestic Consumption Brands

iiMedia Research

2024 JRJ "Golden Wisdom Awards" – Outstanding Influential Brand

JRJ.com

Product

2024 Innovative Snack Award ("XIAO MO NV" Vegetarian Tripe)

Food & Beverage Innovation Forum

2024 Consumer Grand Awards ("MA LA MA LA" Latiao)

Southern Metropolis Daily

2023–2024 Innovative Product in Convenience Food Industry (Flavored Products of "XIAO MO NV")

The 24th China Convenience Food Conference

Marketing

ADMEN International Grand Prize – Gold Case Award: Durian Latia Marketing

www.admen.cn

15th Tiger Roar Awards – Excellence in Integrated Marketing

Tiger Roar Awards Committee

2024 China Enterprise Marketing Innovation Award – Annual New Growth Innovation

21st China Marketing Summit & 2nd China Consumer Goods Supply Chain Conference

ESG

Weilong Green Factory 2.0 – Environmental Protection Innovation Case

Wallstreetcn







# For Responsibility

## Robust Governance

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We fully recognize that responsible corporate governance forms the foundation for long-term business development, and we have integrated sustainability principles into our governance framework. Through continuous enhancement of board diversity, rigorous control of operational risks, strict adherence to business ethics, and the establishment of an efficient ESG governance structure, we maintain open and transparent communication with stakeholders. Together, we are painting a promising future that realizes our vision to "Let the world fall in love with Chinese flavors".



# Corporate Governance

To enhance our corporate governance standards, we have established a board of directors characterized by diverse capabilities and efficient decision-making. We strictly comply with local laws and regulations in our operating regions, continuously optimize our risk identification and control mechanisms, and refine our business ethics management system. Through these efforts, we ensure comprehensive compliance in our operations, foster an environment of integrity and trustworthiness, and safeguard the long-term development of our enterprise.

## Operation of the Board

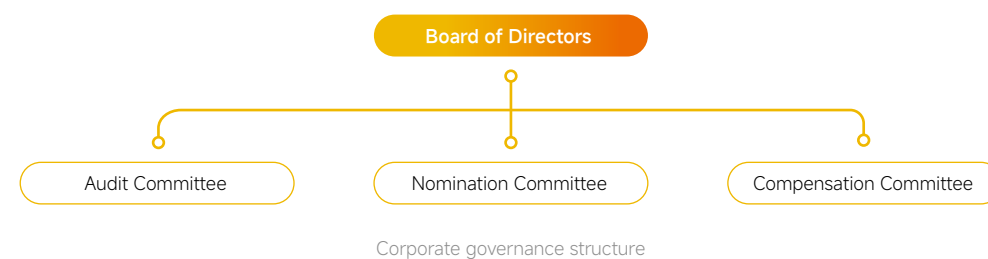
The Group strictly adheres to the *Company Law of the People's Republic of China* and other applicable regulations and laws in our operating regions, while complying with listing venue regulatory requirements. We continuously enhance our internal management mechanisms, strengthen corporate governance capabilities, mitigate operational risks, and effectively protect the legitimate interests of shareholders and stakeholders. Through active fulfillment of our corporate social responsibilities, we are dedicated to creating long-term value for our stakeholders and society.

As the Group's primary decision-making body, the Board of Directors is accountable to the General Meeting of Shareholders. The directors of the Group, guided by the principle of safeguarding the interests of all shareholders, diligently fulfill their decision-making and supervisory responsibilities. The Board is supported by the Audit Committee, Nomination Committee, and Compensation Committee, which work collaboratively through division of duties to advance corporate governance.

To continuously enhance the Board's leadership effectiveness, the Group places great emphasis on Board diversity. During the nomination and appointment process, we thoroughly consider members' industry experience, professional expertise, and strategic vision, ensuring that the Board possesses comprehensive capabilities to address complex market environments and drive sustainable corporate development.

As of the end of the Reporting Period, the Group's Board comprises nine directors, including six executive directors and three independent non-executive directors. Among them, two are female directors, accounting for 22.2% of the Board.

As of the end of the Reporting Period, we convened five Board meetings.



## Risk Management and Control

A comprehensive risk prevention and control management system serves as the foundation for the Company's stable development. Through thorough operational risk assessments, we enhance our internal control and risk management frameworks to provide management with precise risk control recommendations and decision-making support.

The Group has established a multi-tiered risk management structure comprising the Audit Committee, Internal Audit Department, Internal Control Department, and Legal Department, working in concert to deliver robust operational safeguards. Working under the Audit Committee's guidance, the Internal Audit Department helps to facilitate cross-functional audit reviews, conduct comprehensive annual risk assessments, and monitor the effectiveness of internal controls. This integrated approach strengthens our risk management capabilities and supports efficient business practices.

### Audit Committee

- Reviewing and approving annual internal audit plans for the year, including risk control plans
- Supervising and evaluating risk management and internal control work of the Company
- Supervising and evaluating the internal audit work of the Company

### Internal Audit Department

- Developing annual internal audit plans for the year, including risk control plans
- Implementing internal audit and identifying risks
- Organizing departments to respond to risks
- Implementing audit projects and supervising rectification measures

### Internal Control Department

- Developing annual risk assessment and control plans
- Identifying risks, and recording and tracking via Risk Control Matrix

### Legal Department

- Establishing legal compliance policies
- Providing compliance-related training and managing compliance businesses
- Establishing a multi-dimensional intellectual property management system

In 2024, the Group conducted its annual audit program focusing on four key dimensions: fraud prevention, deviation correction, vulnerability identification, and remediation enhancement. These efforts effectively prevented non-compliance incidents and mitigated operational risks.



Additionally, during the Reporting Period, we also conducted business ethics risk assessments, promptly identifying areas for improvement and ensuring implementation of remedial measures.

### Two expenses, one conduct

We perform periodic compliance assessments of three key areas - marketing expenses, personnel costs and employee conduct - including reviews of mileage reimbursement, retail merchandising expenses and field staff travel administration, to address potential financial exposures.



We conduct end-to-end compliance reviews across procurement, production, warehousing and sales operations to address potential compliance risks.

### End-to-end compliance review

As of the end of the Reporting Period, the Group achieved an 86.7% completion rate for remedial actions identified through business ethics assessments.





## Business Ethics

The Group takes a firm stance against corruption and unethical business practices, striving to safeguard the collective interests of the Group and its shareholders. We have established a comprehensive integrity management system, encompassing stringent policies, extensive anti-corruption education, robust whistleblowing mechanisms, and enhanced information security measures, effectively improving the Group's governance standards.

## Anti-Corruption

The Group maintains a zero-tolerance policy toward corruption, fraud, and other breaches of business ethics. We strengthen our integrity framework through three key pillars including system construction, the cultivation of an integrity-driven culture, and robust reporting mechanisms.

### System Construction

We continuously enhance our business ethics management system by strictly adhering to national laws and regulations, including the *Anti-Unfair Competition Law*, *Anti-Money Laundering Law*, *Audit Law*, *Civil Code*, and the *Criminal Law of the People's Republic of China*. Additionally, we have refined internal policies such as the *Reporting Management System*, *Internal Audit Control Procedures*, and *Blacklist Sharing System Management Regulations*, establishing clear standards for business ethics management and providing robust systemic support for the Company's integrity initiatives.

We regulate internal reporting processes, strengthen investigations and disciplinary measures, and enforce behavioral compliance among employees and partners to effectively prevent and control business corruption. For instance, employees found in violation are dealt with strictly in accordance with the internal rewards and penalties management policy. For partners, we continue to promote the signing of *Integrity Agreements* with all formal suppliers and partners, stipulating that any partner found in violation will be permanently blacklisted, and all cooperation with them will be terminated. As of the end of the Reporting Period, the Group recorded two corruption-related lawsuits, with the individuals involved handed over to judicial authorities for legal proceedings.

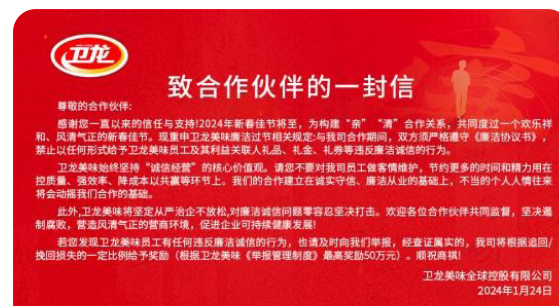
### Integrity Education

We carry out diverse integrity education and promotion activities tailored to different audiences. Through offline training, video-based education, and informational posts, we continuously deepen the cultivation of integrity awareness among all employees.

### Integrity reminders for partners

#### Holiday Reminders

During major holidays, we send integrity reminders to employees and partners to reinforce the promotion of integrity, effectively regulate behavior, and foster a clean and upright business environment.



Integrity reminders for partners



### Integrity education for employees

#### Training and Education

In 2024, the Group carried out integrity training and education programs, covering all business processes and partners. Through a tiered and categorized training system, we enhanced integrity awareness among all employees and fortified defenses against integrity risks.

- For new employees: conducted 10 integrity training sessions.
- For the marketing system: organized specialized integrity training.
- For sales staff and partners: held an anti-fraud briefing attended by approximately 3,000 participants, including all sales personnel, distributors, and suppliers.

During the Reporting Period, each member of the Board of Directors participated in anti-corruption training for an average of 0.16 hours, while other employees participated for an average of 8.26 hours.



Integrity training sessions

#### Video Education

We produce diverse integrity-themed video education content to continuously strengthen the construction of an integrity culture. In 2024, the Group launched various productions, including annual interviews with integrity role models, the promotional video "Planting Integrity, Cultivating a Clean Atmosphere", a series on compliance and integrity, and confession videos featuring individuals who violated regulations.



Interviews with integrity role models

#### Regular Dissemination

We consistently push integrity-related content in an easy-to-understand manner, spreading knowledge of integrity laws and typical cases. This ongoing effort enhances employees' awareness of integrity and supports the development of an integrity-driven culture.



Integrity posts

### Reporting Mechanism

We have established a comprehensive reporting mechanism and strictly follow the *Reporting Management System* when handling reported incidents. The Group has set up and continues to maintain diverse reporting channels, allowing internal and external stakeholders to report non-compliance incidents via email, SMS, or online reporting platforms. To enhance convenience, our online reporting platform also includes a WeChat Mini Program entry point for submitting reports.

#### Reporting Channels of the Group



"Integrity Reporting" Enterprise WeChat Mini Program



"Weilong Integrity Reporting" WeChat Mini Program

Chairman's Integrity Reporting E-mail      liu\_weiping@wlspt.com

Chairman's Integrity Reporting SMS Platform      13939531914

Offline Reporting Address for Letters      Henan Province, Luohe City, Economic and Technological Development Zone,  
South Section of Zhongshan Road, No. 13, Weilong Meiwei Phase II Park, Gate 1, Audit Center

Upon receiving reports or complaints through any of the aforementioned channels, we promptly initiate investigations and handling procedures according to the following steps, ensuring the effective implementation of the Group's integrity management regulations.

#### Initial Assessment

Conduct a preliminary evaluation of the reported information to determine whether it involves corruption or violations that harm the Company's interests. This ensures the report falls within the scope of investigation and provides a clear direction for subsequent actions.

#### Assigning Investigators

Assign professional personnel with relevant experience to handle the investigation based on the nature and severity of the report. This ensures the investigation process is fair, professional, and efficient.

#### Information Collection

Comprehensively gather information and evidence related to the report, including relevant documents, records, witness testimonies, and on-site inspection results. If necessary, communicate further with the informant to supplement details.

#### Investigation and Analysis

Conduct an in-depth analysis of the collected information to identify the root cause of the issue and its scope of impact. Evaluate whether systemic problems exist or if process optimization is needed, providing a basis for formulating a resolution plan.

#### Decision-Making

Submit the investigation results and collaborate with relevant departments to develop a resolution plan. This may include personnel penalties, corrective actions, and process improvements, ensuring compliance with laws, regulations, and company policies.

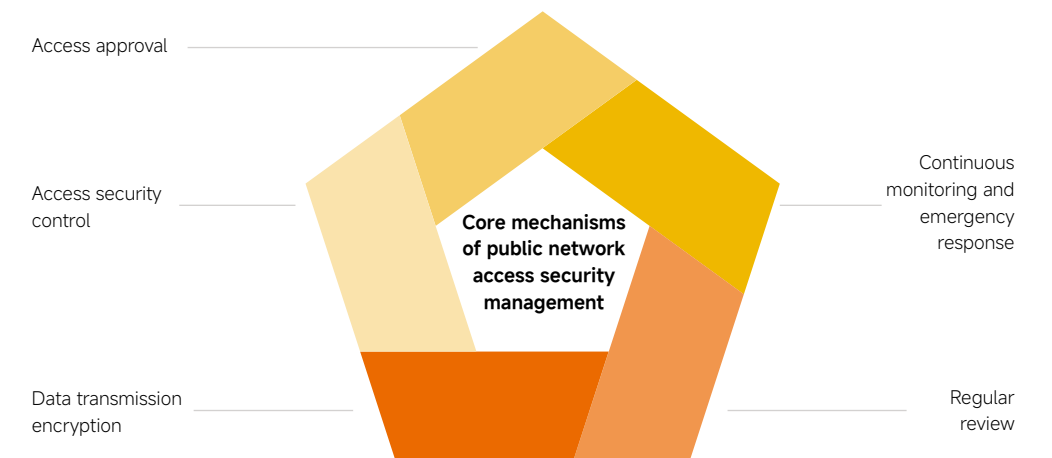
#### Informing the Informant

Provide timely feedback to the informant regarding the investigation results and the resolution plan. Explain the basis for the decisions and subsequent measures. If the informant is dissatisfied with the outcome, offer further appeal channels to protect their rights.

### Information Security

Protecting information security is a critical aspect of compliant operations for modern enterprises. The Group strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures for the Graded Protection of Information Security*, the *Data Security Law of the People's Republic of China*, the *Regulations on the Safety Protection of Computer Information Systems*, the *Personal Information Protection Law of the People's Republic of China*, and the *Administrative Measures for Network Information Security of the People's Republic of China*. Internal information security management standards have been established to ensure that our information security measures are both compliant and efficient.

We have optimized the *Database O&M Management Specifications*, focusing on four key aspects: account management, permission allocation, access restrictions, and anomaly monitoring. Additionally, we have introduced the *System Open Public Network Access Security Management Policy*, effectively enhancing the security management of public network access.



To address the challenges of an increasingly complex and dynamic network environment and data security landscape, we continuously strengthen our information security platform, ensuring stable business operations and safeguarding critical data for both customers and the enterprise.



# ESG Governance

## 1 Deployment of Hardware Network Firewalls

Through real-time analysis and filtering, effectively intercept network attacks, malicious traffic, and unauthorized access. Over the year, more than 600,000 malicious attacks were intercepted, successfully defending against over 10 types of network attack methods.

## 2 Addition of Data Security Audit Components

Real-time tracking and recording of the full process of database operations, including data addition, deletion, modification, and queries. This ensures every data operation is auditable and supervised, preventing data leaks and misuse while ensuring compliance in data operations.

## 3 Introduction of Container Security Components

Provides container image security scanning, runtime vulnerability protection, and resource isolation mechanisms. Real-time monitoring of container network traffic and process behavior effectively isolates potential security risks.

2024  
Information  
security  
enhancement  
measures

## 4 Activation of Web Application Firewall (WAF)

Based on real-time monitoring and filtering of WEB traffic, comprehensively defends against common WEB attack types such as SQL injection, cross-site scripting (XSS), and malicious Bot attacks, ensuring the availability and data security of websites and applications.

Over the year, 73 sites were connected to the WAF system, with approximately 1.01 million attacks intercepted by the firewall.

## 5 Implementation of Private Cloud Host Security Scanning

Identifies potential security risks in business systems to ensure business continuity and compliance. Over the year, more than 100 types of vulnerabilities were identified, and over 2,000 vulnerabilities were successfully resolved.

Since 2018, the Group has maintained a record of zero information security incidents, reflecting our deep commitment and effective management in the field of information security.

### "Enhancing information security awareness and cybersecurity skills" special information security training event

Case

On June 14, 2024, we organized a special information security training event titled "Enhancing Information Security Awareness and Cybersecurity Skills." The event combined online learning with offline practice to help employees gain an in-depth understanding of fundamental information security knowledge, master common network attack defense skills, and comprehensively improve their information security awareness and risk prevention capabilities. This initiative effectively safeguards both the Company's and employees' data assets. In 2024, the information security training coverage rate among all employees reached 90%.



Special information security training event

The Group has also comprehensively carried out information security audits, combining internal assessments with audits by external professional organizations to systematically review and optimize the information security management system. This ensures the effectiveness and compliance of security protection mechanisms while continuously enhancing the overall information security governance level of the organization.

We combine regular audits with special audits, conducting internal audits every six months for critical information systems and key business processes. The scope includes the compliance and effectiveness of the information security management system, policy implementation and updates, risk identification and monitoring, control measures implementation, incident handling and emergency response mechanisms, as well as the usage of information systems.

Internal  
Audit

External  
Audit

We conduct external audits annually for critical information systems and key business processes. The scope includes technical tests such as penetration testing and vulnerability scanning, covering core application systems such as SAP, CRM, WMS, OA, and barcode systems.

The Group continues to enhance its ESG governance, striving to deeply embed the principles of sustainable development into every aspect of its operations. We closely monitor industry trends and the evolution of our corporate strategy to establish an ESG governance framework tailored to the Company's current circumstances. By maintaining open and timely communication with various stakeholders, we effectively manage ESG-related risks and identify development opportunities. We firmly believe that high-level ESG governance provides a solid strategic foundation for the sustainable development of our Company.

## Statement from the Board of Directors

The Group strictly adheres to the *Company Law of the People's Republic of China*, the *Hong Kong Companies Ordinance*, and the *Corporate Governance Code* (Appendix C1) and the *Environmental, Social, and Governance Reporting Guide* (Appendix C2) of the Listing Rules of the SEHK. We continuously enhance our ESG governance capabilities and optimize the construction of our ESG management system.

The Board of Directors plays a central leadership role in ESG governance and assumes full responsibility for the Group's ESG strategies and governance. We have established a three-tier ESG governance structure comprising the Board of Directors, the ESG Management Team, and the ESG Working Group, enabling comprehensive oversight, precise management, and effective execution of ESG matters.

The Board of Directors actively evaluates ESG-related risks and opportunities, continuously refining and updating ESG management strategies in response to business development needs and changes in the external environment. By maintaining close communication with internal and external stakeholders, the Board regularly organizes ESG issue identification and materiality assessments, reviews, and approves the prioritization of material topics, ensuring that the Group's ESG strategies accurately address the concerns and expectations of stakeholders.

During the Reporting Period, the Board of Directors undertook the following specific ESG governance activities:

Approved the ESG management strategy and reviewed and approved the adjustment and update of the ESG high-importance issues matrix, as well as the progress and updates of ESG goals

1

Reviewed and approved the results of the climate change risk and opportunity assessment, and approved the updated ESG governance structure and responsibilities to address the related risks and opportunities

2

Engaged external experts to provide training, enhancing the Board's skills and competencies in addressing climate change-related governance matters

3

Reviewed and approved the disclosure content of this year's ESG report

4



## ESG Governance Structure

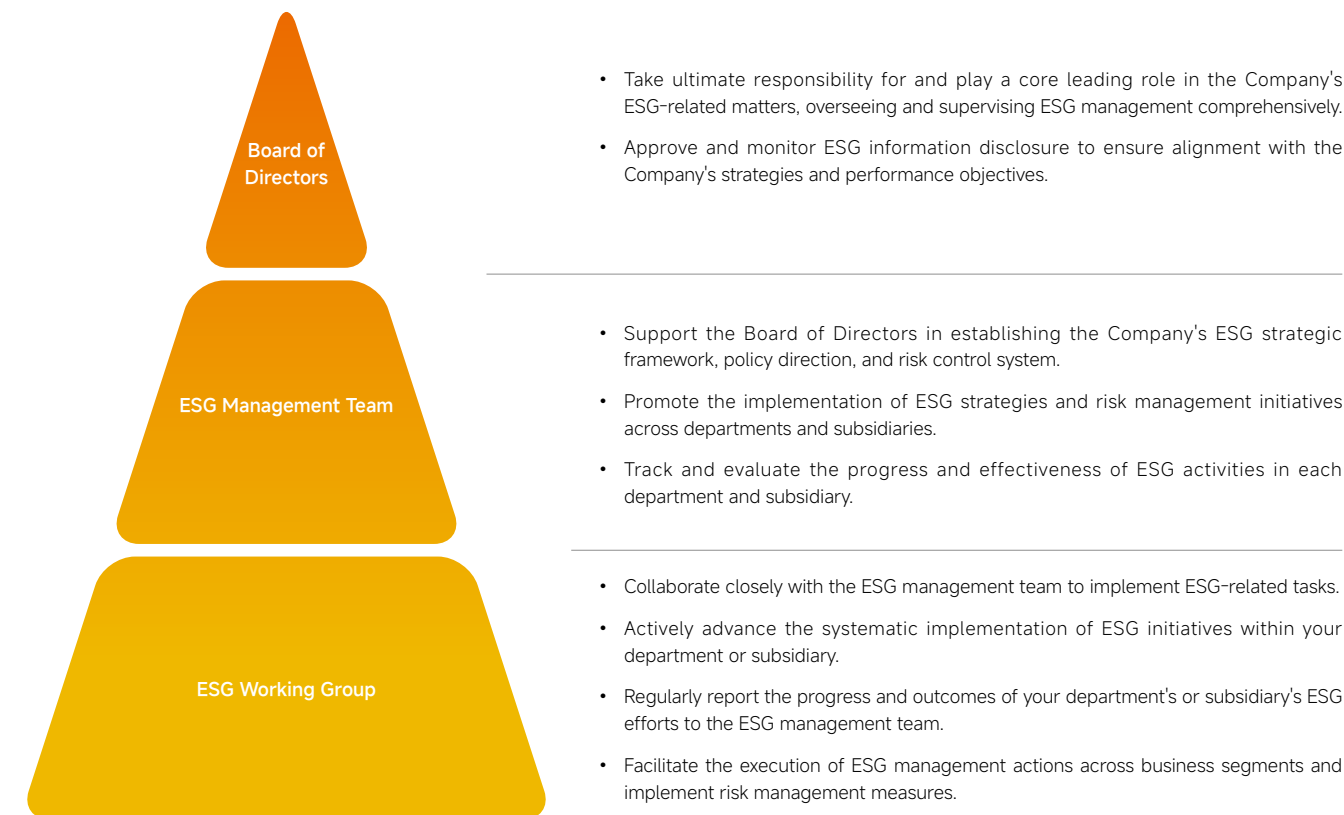
We fully recognize that ensuring the effective operation of the ESG governance system is a critical task in fulfilling corporate social responsibility. We have established an efficient and collaborative ESG governance framework, aligned with the Group's long-term development goals, and continuously deepen ESG practices. Our efforts are dedicated to achieving synergistic development across the three pillars of environmental protection, social responsibility, and corporate governance, thereby creating sustainable value for society.

## ESG Concept

As a leading snack food enterprise, we consistently uphold the principles of sustainable development, deeply integrating ESG principles into our corporate strategy and daily operations. With a robust governance framework and a sustainable business philosophy as our core driving forces, we continuously promote product innovation and quality optimization. While creating delightful experiences for consumers, we are committed to reducing the environmental footprint across the entire value chain. We regard employees as the cornerstone of corporate development, empowering and nurturing them to achieve mutual growth with the Company. At the same time, we actively fulfill our corporate social responsibilities by engaging in public welfare initiatives and taking concrete actions to give back to society, contributing to a sustainable future.

## ESG Governance Structure

The Group has established an ESG governance framework with the Board of Directors as the highest decision-making body, responsible for steering ESG strategic direction and overall management. The ESG management team acts as a supporting body, assisting the Board in conducting ESG risk assessments, strategic planning, and information disclosure, ensuring professionalism and foresight in sustainability efforts. Additionally, an ESG working group has been set up to drive the implementation of specific initiatives at the Group level and to track and manage key indicators. Functional departments and subsidiaries, as execution entities, actively participate in ESG practices, advancing sustainable development across environmental, social, and governance dimensions through detailed and refined action plans. This approach builds a comprehensive and multi-layered ESG management ecosystem.



ESG Governance Structure and Responsibilities

## Stakeholder Engagement

The feedback and expectations of stakeholders serve as important guidance for improving our ESG management. We value interactions with stakeholders and establish an efficient two-way communication mechanism through various channels such as email, telephone calls, on-site visits, and participation in industry symposia and summits. Their input is integrated into the long-term strategic planning of ESG governance, driving the achievement of the Company's sustainable development goals.

Stakeholders	Key Communication Topics		Communication Channels	
Shareholders/Investors	<ul style="list-style-type: none"><li>• Compliance operations</li><li>• Risk control</li></ul>	<ul style="list-style-type: none"><li>• Business ethics</li><li>• Innovation and intellectual property protection</li></ul>	<ul style="list-style-type: none"><li>• HKEXnews and the Group's official website</li><li>• Regular reports and announcements</li><li>• Emails to investors</li></ul>	<ul style="list-style-type: none"><li>• Investor roadshow meetings</li><li>• Investor Day</li></ul>
Employees	<ul style="list-style-type: none"><li>• Employee compensation and benefits</li><li>• Talent development</li></ul>	<ul style="list-style-type: none"><li>• Occupational health and safety</li><li>• Protection of employee rights</li></ul>	<ul style="list-style-type: none"><li>• Regular employee meetings</li><li>• Surveys and feedback</li></ul>	<ul style="list-style-type: none"><li>• Training activities</li><li>• Labor Union</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Supply chain management</li><li>• Food safety</li><li>• Compliance management</li></ul>		<ul style="list-style-type: none"><li>• Contracts and agreements</li><li>• Supplier evaluation</li><li>• Supplier communication and training</li></ul>	
Government and Regulators	<ul style="list-style-type: none"><li>• Compliance management</li><li>• Business ethics</li><li>• Public welfare</li><li>• Energy management</li></ul>	<ul style="list-style-type: none"><li>• Water resource usage</li><li>• Emission management</li><li>• Sustainable packaging</li></ul>	<ul style="list-style-type: none"><li>• Information disclosure and reporting</li><li>• Visitor reception</li><li>• Project cooperation</li><li>• Supervision and inspection</li></ul>	
Customers	<ul style="list-style-type: none"><li>• Food safety</li><li>• Nutrition and health</li><li>• Consumer services</li></ul>	<ul style="list-style-type: none"><li>• Responsible marketing</li><li>• Information security and privacy protection</li></ul>	<ul style="list-style-type: none"><li>• Customer visits</li><li>• Market surveys</li><li>• National customer service hotline</li></ul>	
Media	<ul style="list-style-type: none"><li>• Food safety</li><li>• Emission management</li></ul>	<ul style="list-style-type: none"><li>• Responsible marketing</li><li>• Green production and operations</li></ul>	<ul style="list-style-type: none"><li>• Daily communication and response</li><li>• Public opinion monitoring and response</li><li>• News disclosure on the official website</li></ul>	<ul style="list-style-type: none"><li>• Interviews and talks</li><li>• Participation in offline media activities</li><li>• Online media forums</li></ul>
Communities	<ul style="list-style-type: none"><li>• Public welfare</li><li>• Responsible marketing</li><li>• Green production and operations</li></ul>		<ul style="list-style-type: none"><li>• Volunteer services</li><li>• Community services</li></ul>	



## Material Issues

In 2024, leveraging the ESG management team, the Group conducted a comprehensive identification of ESG-related issues. We extensively solicited feedback from both internal and external stakeholders and, through in-depth communication and systematic analysis, thoroughly evaluated ESG issues. Ultimately, we developed a materiality matrix comprising 12 issues of high importance, 7 of medium importance, and 2 of general importance, providing critical guidance for the formulation and implementation of the Company's ESG strategy.




Degree of Importance	No.	Issues	Category
Issues of high importance	1	Food safety	Social issue
	2	Occupational health and safety	Social issue
	3	Nutrition and health	Social issue
	4	Consumer services	Social issue
	5	Legal and compliant operations	Governance issue
	6	Energy management	Environmental issue
	7	Supply chain management	Social issue
	8	Water resource management	Environmental issue
	9	Business ethics	Governance issue
	10	Emission management	Environmental issue
	11	Risk control	Governance issue
	12	Employee compensation and benefits	Social issue
Issues of medium importance	13	Employee rights	Social issue
	14	Responsible marketing	Social issue
	15	Talent development	Social issue
	16	Climate change	Environmental issue
	17	Innovation and intellectual property protection	Social issue
	18	Green operations	Environmental issue
	19	Information security and privacy protection	Social issue
Issues of general importance	20	Green packaging	Environmental issue
	21	Public welfare and charity	Social issue





01



02



03



04



05

## For Quality Innovation for Health

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We uphold a product philosophy that values both health and innovation, continuously enhancing the nutritional value of our offerings. While catering to diverse market demands, we strive to bridge the gap between consumers and a naturally healthy lifestyle. We consistently strengthen food safety management, reinforce supply chain quality control, and are committed to delivering excellent customer service, building a trustworthy brand in the healthy food industry.





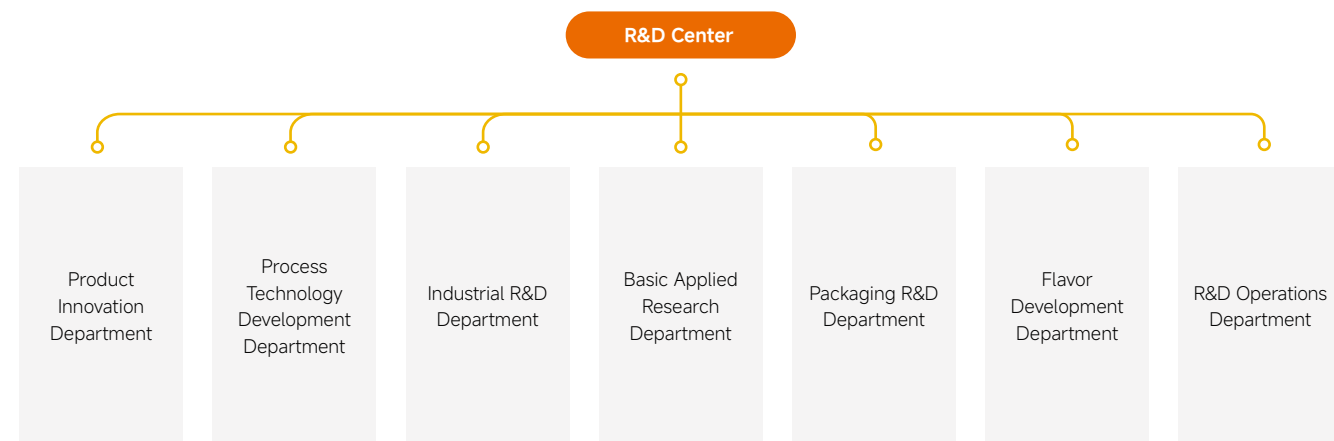
# Collaborating for Health and Innovation

Innovation has always been the driving force behind our growth. Guided by the principles of "healthier, more nutritious, and higher quality" products, we continuously refine our R&D system and enhance our product development capabilities. By expanding the scope and depth of health-focused innovation, we are committed to offering consumers a diverse range of nutritious snack choices.

## Innovative R&D System

We have established a comprehensive innovation project management framework, standardizing our product development process through policies such as the *Project Management System*, the *New Product Development Process*, and *Innovation Management System*, which significantly improved our R&D efficiency. During the Reporting Period, we introduced 6 new standards for product design, development, and testing, while updating 2 existing ones to further ensure product quality.

Our R&D center consists of 7 specialized teams, systematically advancing research across product formulation, flavor profiles, equipment, packaging, and core technologies.



In 2024, our R&D center undertook 49 projects spanning product development and technological advancements, further driving breakthroughs in product innovation and technical optimization.

## Nutritional and Healthy Products

Enhancing the nutritional and health attributes of our products is a key focus in our R&D process. In alignment with national strategies such as the *Healthy China Action (2019–2030)*, the *Dietary Guidelines for Chinese Residents (2022)*, and the *"Healthy China 2030"* Plan, we integrate nutrition and wellness considerations into ingredient selection, formulation, and packaging design, leading to create a snack brand that aligns with healthy living trends and contributes to public well-being.

## Nutrition and Health Innovation Practices

We have consistently focused on clean labeling, food preservation, packaging management, and the development of nutritious ingredients to enhance the health benefits of our products. At the same time, we continue to advance initiatives such as sugar, oil, and sodium reduction to support healthier eating habits.

### Enhancing the Health Attributes of the Product Label

- By independently developing non-frying extrusion cooking technology, we adhere to a strict policy of zero trans fatty acids and zero preservatives, ensuring the safety and health of our products.
- We actively implement "three reductions and one control", optimizing formula indicators and scientifically reducing the sugar, oil, and salt content of the product.

- We are developing differentiated packaging specifications, which includes small-portion and sharing packages for products like Big Latiao and Mala Mala. This approach will cater to diverse consumer preferences while supporting the implementation of sound dietary management practices.

### Optimizing Food Preservation Systems

- By utilizing natural bio-preservatives and nitrogen-flushing packaging technology, we aim to reduce our reliance on traditional chemical preservatives, thereby achieving a safer and more natural food preservation solution. During the Reporting Period, we have successfully replaced synthetic preservatives (potassium sorbate) with natural preservatives in some of our products. Furthermore, a series of laboratory tests have been conducted, providing a solid foundation for optimizing food preservation methods across our entire product line.

- We prioritize direct sourcing from premium agricultural regions, establishing long-term partnerships with local farmers. By implementing standardized cultivation practices and scaled production models, we ensure consistent quality throughout the entire supply chain, from farm to factory.

- We also invest heavily in research and development, launching innovative ingredient projects that focus on high-nutritional-value raw materials. By strengthening the supply chain at its source, we enhance the health benefits of our products, offering consumers superior nutritional solutions.

### Designing Small Portion Packaging

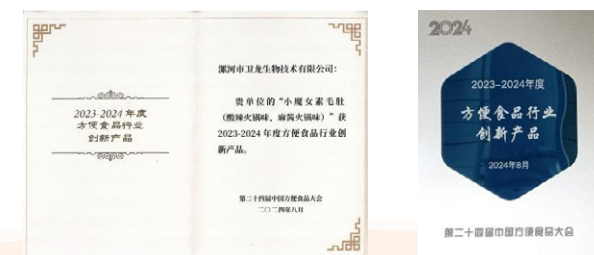
### Using Premium Ingredients with High Nutritional Value

## Product and Flavor Innovation

In 2024, we continued to broaden our product offerings based on market demand and consumer feedback, steadily advancing product flavor profiles and production technology innovations to provide consumers with a more diverse range of choices. We successfully developed and launched several new Latiao snacks, including Mala Mala, Durian-flavored Latiao, Finger-licking meat-flavored Latiao. We also introduced new flavors for "XIAO MO NV" Vegetarian Tripe, and Konjac Shuang, catering to diverse taste preferences.



Our products gain widespread consumer favor, with sour & spicy and sesame paste Hot Pot flavor of "XIAO MO NV" Vegetarian Tripe receiving the award of "2023-2024 Innovative Product Award in the Convenience Food Industry".





## Intellectual Property Protection

We regularly conduct intellectual property training for our employees, offering courses on intellectual property standardization, patent mining techniques, and patent search strategies to personnel in R&D, supply chain, sales, and legal departments. This comprehensive approach aims to enhance employees' intellectual property awareness and practical management skills. During the Reporting Period, we held a total of 3 targeted intellectual property training sessions for different employee groups, including R&D center engineers, designers, and after-sales customer service personnel, to further strengthen employees' fundamental understanding of intellectual property protection.

As of the end of the Reporting Period, the Group has been granted 231 patents and registered a total of 901 trademarks. In 2024, we were granted 57 new patents and filed 37 new patent applications.

## Collaborating for Industry Success

Committed to our mission to "Let the world fall in love with Chinese flavors", we actively foster industry collaboration and innovation with an open mindset. Embracing a philosophy of cooperation and shared growth, we drive product innovation by engaging in industry-academia-research initiatives and participating in standard-setting efforts. Through close partnerships with universities, research institutions, and industry peers, we contribute to the transformation and standardization of industry advancements.

We have established research collaborations with numerous renowned universities and R&D teams of research institutions. We conducted joint research on forward-looking and critical technologies within the industry, achieving resource sharing and complementary advantages to foster more innovative ideas and technologies. During the Reporting Period, we jointly initiated several industry-university-research projects with several prestigious food Laboratories, making good progress in improving the quality, taste, and flavor of spicy strip products.

We are also actively contributing to the development of industry regulations and standards. Leveraging our extensive experience and in-depth practical insights, we are proactively leading the establishment of a high-quality standard system for the spicy snack food industry. This initiative aims to better adapt to new trends in technological advancements and market changes, thereby supporting the industry's high-quality development.

During the Reporting Period, we submitted a proposal to the China National Institute of Standardization for the establishment of a standard for konjac products, with the aim of leading the standardized development of konjac product manufacturing. Simultaneously, we participated in the revision of the *GB/T Sensory Analysis Methods Texture Profile Analysis*, promoting the improvement of the sensory quality evaluation system for food texture characteristics. As of the end of the Reporting Period, the Group has cumulatively participated in the formulation of 1 industry standard, 1 national standard, and 7 group standards.

### 1 Industry Standard

QB/T 5729-2022  
Seasoned Flour Products

### 1 National Standard

GB/T Sensory Analysis Methods  
Texture Profile Analysis

### 7 Group Standards

T/FDSA 034-2022  
Children's Snack Egg Products

T/CMATB 2003-2022  
Soft-boiled Eggs

T/CFNA 6101-2020  
Zanthoxylum Bungeanum

T/LFSA 007-2021  
Composite Seasoning

T/LFSA 007-2021  
Cooked Meat Products

T/LFSA 001-2019  
Seasoned Flour Products

T/LFSA 004-2020  
Konjac Ready-to-Eat Foods

# Reliable Food Safety Assurance

Food safety remains the cornerstone of our operations. Upholding a spirit of craftsmanship and continuous refinement, we have established a robust quality assurance system covering the entire product lifecycle. By reinforcing process controls and fostering a strong food safety culture, we are committed to delivering products that consumers can trust. Guided by consumer needs, we continuously optimize customer service processes, striving to set industry-leading service standards and strengthen the bond of trust with our customers.

## Food Safety System

We strictly comply with the *Food Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, the *Administrative Measures for National Food Safety Standards*, and other applicable regulations. Our food safety management framework is anchored in the *Quality and Food Safety Management Manual*, forming a comprehensive system to safeguard food safety at all levels.

### Food Safety Management Principles

#### Consumers



#### Quality and food safety

Centered on consumer experience, we guarantee quality to meet and surpass customer expectations.

#### Risk management



#### Controllable and compliant

With risk management at the core, we continuously refine our practices to ensure full compliance.

#### Product



#### Safe and delicious

Letting the world fall in love with the safe and delicious flavors of China.

To ensure rigorous oversight of product quality and food safety, we have established a Comprehensive Quality Management Center, integrating 5 key quality modules and 6 specialized departments. This structure enables a systematic, coordinated approach to managing food safety and quality across all operational stages, dimensions, and cycles.

R&D and Design Quality

Procurement Quality

Production Quality

Storage and Logistics Quality

Market Quality

5 Quality Modules

With stringent standards and rigorous oversight, we continuously enhance the standardization of our food safety and quality management system to align with both internal and external requirements. Each year, we conduct internal audits across all facilities under the Food Safety System Certification (FSSC) 22000 and the Hazard Analysis and Critical Control Points (HACCP) frameworks, while actively advancing third-party certification efforts. As of the end of the Reporting Period, 100% of our production plants have obtained FSSC 22000 and HACCP certifications. In 2024, we engaged third parties to conduct 5 audits for food safety system certification to ensure compliance and operational effectiveness.

To cater to diverse consumer preferences and enhance market competitiveness, we have prioritized halal certification for our products in international markets. By adhering to strict quality and safety standards, we strive to serve consumers across different regions and cultural backgrounds. As of the end of the Reporting Period, konjac-based products from the Weidao factory and seasoned noodle products from the Weilai factory have obtained Halal certification, while seasoning powders from the Lewei factory have received HALA Halal certification. Moving forward, we will actively pursue British Retail Consortium (BRC) Certification, further aligning with global quality benchmarks and reinforcing consumer trust worldwide.

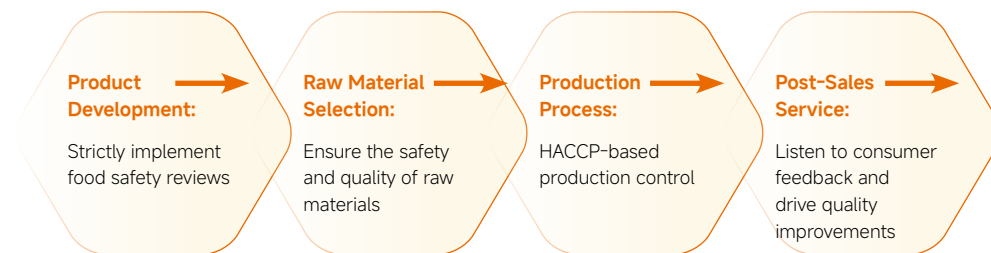




## Quality Assurance Initiatives

### Food Safety and Quality Control

The Group has established a comprehensive quality control system that spans the entire product lifecycle—from product development and raw material selection to production quality management, product testing, and traceability. Every step undergoes rigorous oversight to ensure our products meet the highest standards, reinforcing consumer trust. Our food safety management framework is built on well-defined standards, forming a robust safeguard that extends from product design to the end consumer.



The Whole-Chain Quality Management System

Recognizing the importance of managing food safety risks from source to market, we have developed a comprehensive quality risk management system that operates as a routine safeguard for consumer health and safety. We have implemented risk management protocols such as the *Food Safety Monitoring, Risk Assessment, and Control Guidelines* and the *Food Safety Information Collection and Early Warning System*. We annually conduct and enforce safety risk detection plans for raw materials, production processes, and finished products, ensuring that potential hazards are identified and mitigated at every stage.

We also actively monitor regulatory updates and food safety incidents, adjusting our practices in response to evolving standards, public concerns, and industry developments. Through training programs, internal reviews, and corrective actions, we continuously strengthen our ability to identify and prevent food safety risks.

### Food Safety and Quality Audits

Through product testing and process inspections, we continuously refine our quality audit mechanisms to enhance overall quality management.

On one hand, we are advancing our laboratory testing capabilities to improve accuracy and efficiency. During the Reporting Period, we conducted 87 internal quality supervision audits, 14 external proficiency tests, and 72 internal and external training sessions to ensure our testing expertise meets relevant industry standards. Additionally, we introduced three new pathogen detection projects, reinforcing our ability to control product quality risks.

On the other hand, we maintain strict internal and external food safety audits, expanding our oversight channels by collaborating with regulatory authorities, customers, and other stakeholders to identify and resolve potential quality concerns. During the Reporting Period, we underwent 10 external regulatory inspections and 11 customer audits. We also conducted quarterly hygiene and health inspections covering workshops, production processes, and packaging to ensure stringent quality supervision.

Furthermore, in line with our internal *Food Safety Risk Monitoring Standards*, we conducted raw material safety risk assessments, monitoring over 120 types of raw materials across 147 testing parameters to mitigate potential quality risks at the source.

### Product Recall Management

In accordance with the *Measures of Food Recall Management*, the Group has established the *Product Withdrawal/ Recall Control Procedure* and the *Identification and Traceability Control Procedure*, clearly defining our response and recall process in case of any incidents. To ensure the effectiveness of our recall system, each production facility conducts two annual traceability drills (one forward and one backward), evaluating response capabilities and procedural efficiency.

During the Reporting Period, no product recalls were triggered due to safety and health concerns.

Product Recall Triggers	Establish a Product Recall Emergency Team	Product Recall Implementation
<ul style="list-style-type: none"><li>Recall is initiated based on mandatory directives from national regulatory authorities.</li><li>Conduct a hazard investigation and assessment in response to quality issues raised internally or externally. If recall is deemed necessary, the recall process is activated.</li></ul>	<ul style="list-style-type: none"><li>Establish a product recall emergency team and clarify the responsibilities of all involved departments.</li><li>Make a recall decision within 24 hours and report relevant details.</li></ul>	<ul style="list-style-type: none"><li>Complete the recall process within the specified time frame.</li><li>Take corrective actions or other measures such as disposal for recalled products.</li><li>Conduct a root cause analysis, and develop and implement corrective and preventive actions.</li></ul>

Product Recall Process

Our unwavering commitment to food safety and quality management has earned widespread industry recognition. In 2024, we were honored with the Mayor Quality Award of Luohe City and the Governor Quality Award of Henan Province, underscoring our leadership in quality excellence.

### Food Safety Culture

We believe that excellence in food safety and quality management can only be achieved through the active involvement of every employee. To reinforce this, we regularly organize specialized training and awareness-raising activities on food safety and quality, fostering a culture where all employees are engaged in ensuring food safety and quality.

During the Reporting Period, we conducted 135 food safety and quality training sessions as part of our annual training plan. These sessions included external expert lectures, internal discussions, and online live classes, covering a broad range of topics such as food safety regulations, foundational knowledge, safety system requirements, product quality management, and testing methods. This comprehensive approach has strengthened employees' basic skills in food safety and quality management and enhanced their ability to respond to food safety risks. Among these sessions, 11 were led by external professional instructors, totaling 154 hours of training. The remaining sessions accounted for 190.8 hours of training. The total number of participants reached 2,723, with a training coverage rate of 97.5% and an exam pass rate exceeding 95%.





## External Training

- International Food Safety Risk Training: To better understand the regulations, policies, and supervisory requirements of our export markets, and to navigate the food export process, our regulatory department participated in an external Food Export Compliance Practical Workshop. This training enhanced our ability to mitigate risks during international trade.
- Training for Food Safety Knowledge: To stay aligned with government regulatory trends, we assigned relevant personnel at each factory to attend food safety training organized by the State Administration for Market Regulation.
- Quality and Food Safety Management System Training: To advance the development of the FSSC 22000 food safety management system, we invited external experts to deliver offline training on the updated requirements of FSSC 22000.
- Quality and Food Safety Seminars: We sent leaders from various functions at Weidong to participate in external seminars on food safety, deepening industry engagement and expanding the breadth and depth of our quality management team's knowledge.

## Internal Training

- Quality Micro-Lesson Live Stream: We launched a live-streamed "Quality Micro-Lesson" series, focusing on specialized topics in quality management. The course was delivered through live online classes and sharing sessions, aiming to educate all employees on food safety and quality knowledge while further embedding food safety culture within the organization.

Part of Food Safety and Quality Training

We organize specialized activities focused on food safety and quality improvement annually. These initiatives aim not only to address critical quality issues and optimize management processes but also to strengthen quality management awareness across the entire workforce.

## 2024 Quality Improvement Initiative

## Case



In response to stricter industry regulations and consumer trends, we adopted the strategy of "Quality is our Lifeline" and launched a comprehensive quality upgrade initiative. By integrating resources from R&D, production, and marketing, we developed 30 quality standards covering the entire product lifecycle and introduced a digital quality management platform (QMS) for real-time traceability and risk monitoring.

Additionally, we established a Comprehensive Quality Management Committee and implemented a robust performance and assessment mechanism tightly linked to quality outcomes, which reinforces individual responsibility and accountability. To further drive transparency and continuous improvement, we introduced a monthly "Quality Ranking Dashboard" to expose, optimize, and close the loop on quality issues, systematically enhancing food safety assurance and the efficiency of our quality management coordination.

## Exceptional Customer Service



Providing attentive service to customers is a key component of our whole-chain quality management. We focus on consumer needs, continuously optimizing our customer service processes and complaint response mechanisms. Our goal is to turn every customer complaint into an opportunity to enhance service quality and improve product standards, thereby building a strong, trusted brand reputation.

We have established a comprehensive after-sales service system and, during the Reporting Period, updated the *After-sales Customer Complaint Handling Control Procedures* to further streamline complaint and social media response processes, ensuring timely and high-quality customer service for all consumers.



Customer Complaint Handling Process

To continuously enhance our customer service expertise, we provide regular training for our customer service team, ensuring higher service standards that earn customer trust and recognition. We hold weekly review and training sessions to analyze case handling processes and service quality, driving continuous improvement in customer service operations. During the Reporting Period, we focused on real customer experiences and pain points, implementing multiple optimization and enhancement initiatives to further refine our service approach.



Key Highlights in Customer Service Optimization

In 2024, the Group received a total of 62,530<sup>1</sup> complaints related to products and services, achieving a 98% complaint resolution rate and a 97% customer satisfaction rate.

<sup>1</sup> In 2024, the complaint reporting scope was updated to include direct consumer feedback, with the addition of logistics-related issues encountered during online shopping.



## Customer Rights Protection

## Responsible Marketing

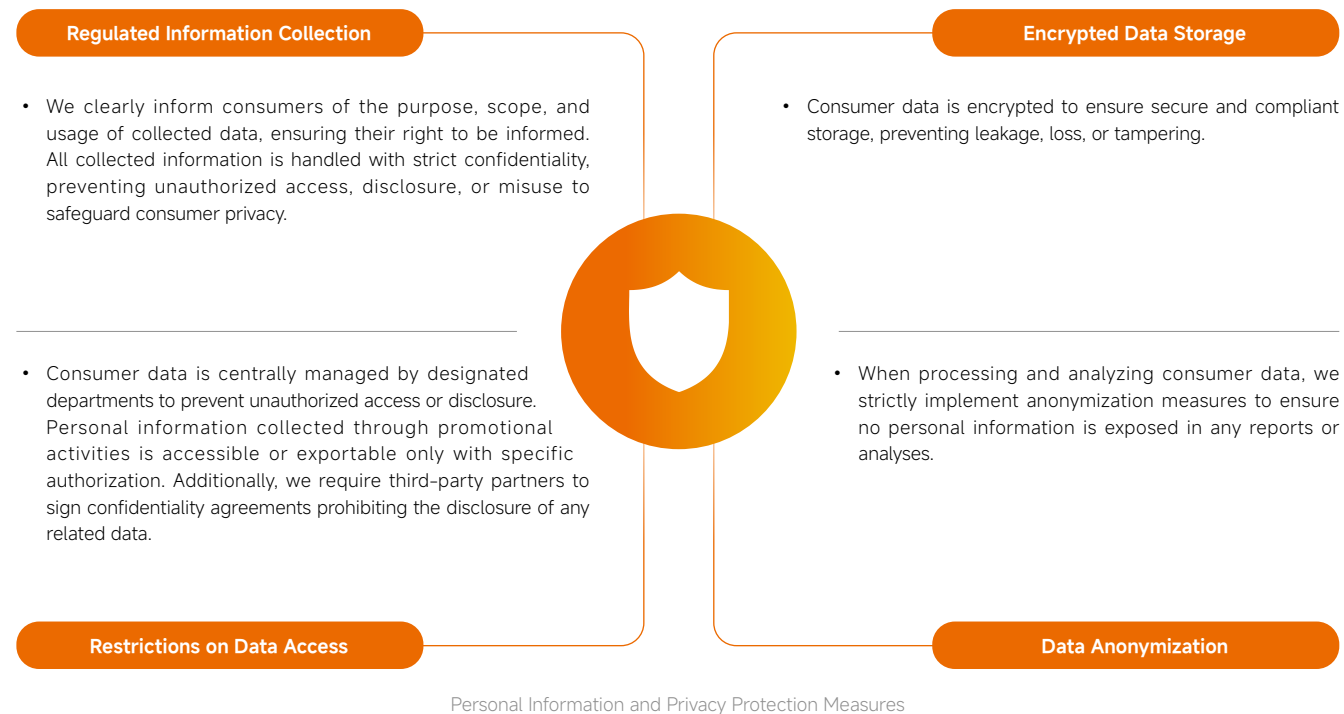
## Privacy Protection

We place great importance on safeguarding customer rights by strictly regulating pre-sale marketing practices and the collection, storage, and use of consumer information and privacy, ensuring a transparent, honest, and trustworthy business environment.

We strictly comply with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, establishing internal policies such as the *External Release Management Process*, the *Product Packaging Design, Production and Printing Process System*, and *Dealer Management Standards* to ensure full compliance in marketing and advertising.

We have established a strict review process for the design and launch of promotional materials. A compliance audit team, consisting of legal, marketing, quality, and production departments, thoroughly reviews marketing material requirements to ensure that product packaging, labeling, and advertisements meet both internal and external standards. Additionally, we incorporate responsible marketing principles into new employee onboarding and daily internal awareness programs, clearly communicating from day one our commitment to eliminating false or exaggerated claims, and minimizing any misleading advertising that could harm consumer rights.

In compliance with 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 the *Information Security Management Policy* that sets clear requirements for the protection of consumer data and privacy, strictly preventing any form of unauthorized information disclosure.



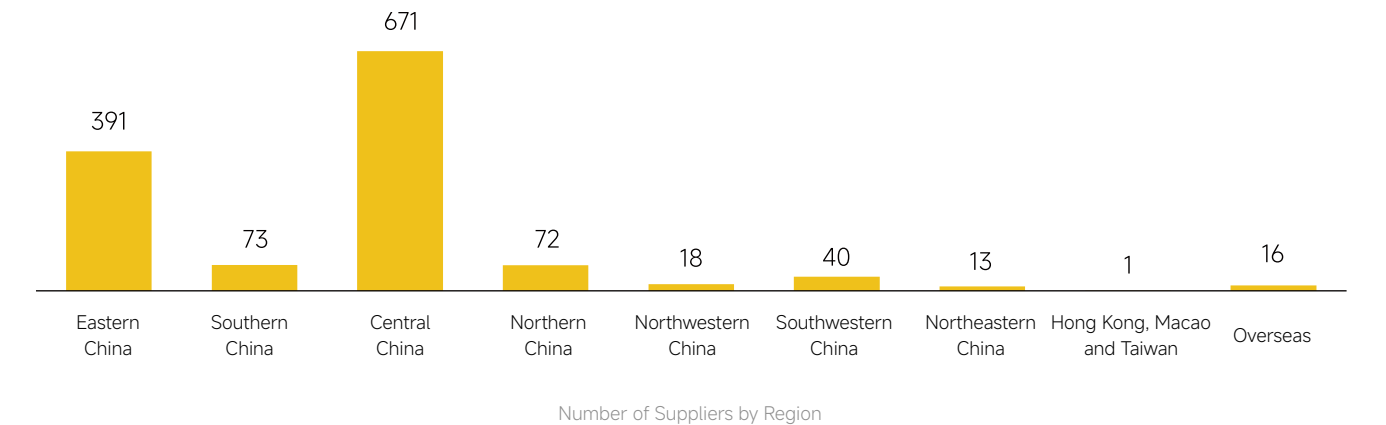
We regularly evaluate and review our customer privacy protection measures and management practices to ensure compliance with the latest privacy security standards and legal requirements. Additionally, we conduct quarterly training sessions on information security and consumer privacy protection, reinforcing employees' awareness of proper data collection and handling practices.

During the Reporting Period, no customer privacy breaches occurred within the Group.

# Industry Partner Management

We recognize a stable and sustainable supply chain as a critical foundation for ensuring product quality. To this end, we continuously enhance our supply chain management system, strengthen end-to-end quality control over suppliers, and proactively mitigate environmental and social risks within the supply chain. By fostering close collaboration with our suppliers, we strive to build a high-quality value chain.

As of the end of the Reporting Period, the Group had a total of 1,295 suppliers, all of whom underwent an admission review in accordance with our policies. This includes 128 raw and auxiliary material suppliers, 47 agricultural and livestock product suppliers, 59 packaging material suppliers, 71 equipment suppliers, and 990 other suppliers, as illustrated in the following chart.



## Supplier Audit and Access

We implement a rigorous supplier admission process to ensure product quality and production excellence from the outset. Our *Supplier Access Management Measures* establishes clear guidelines for managing and auditing suppliers at the entry stage.







In 2024, we further refined our supplier onboarding management by enhancing requirements related to quality standards, production capacity, and certification of qualifications and management systems, ensuring a more rigorous and precise selection process.

### Supplier Quality Standards

- In addition to fundamental physicochemical requirements, we have introduced traceability requirements for raw material origins to ensure full transparency of sourcing.
- Microbiological testing criteria have been further refined, with stricter limits on specific harmful microorganisms to enhance safety controls.

### Supplier Scale and Production Capacity Standards

- Considering market demand forecasts, we now require suppliers to demonstrate flexible production capacity, ensuring they can handle short-term order surges—especially during promotional periods.

### Supplier Qualification and Certification Requirements

- Raw material suppliers must obtain ISO 9001 and ISO 14001 certifications. Certified suppliers are required to establish a robust food safety management system, incorporating Hazard Analysis and Critical Control Points (HACCP) principles to effectively identify, assess, and mitigate food safety risks.

Refined Supplier Management Measures

## Supplier Performance Evaluation

To continuously monitor supplier performance and enhance supply chain management, we have established a scientific and efficient supplier evaluation system. This system operates through three key management modules—qualification review, exception audits, and on-site inspections—to drive continuous supplier improvement, ensuring a stable, efficient, and high-quality supply chain.

### Qualification Review and Management

- The Supplier Relationship Management (SRM) System dynamically monitors supplier qualifications, automatically flagging expiration dates. Suppliers must submit updated documentation for approval before placing orders, ensuring ongoing compliance with regulatory and corporate standards.

### Significant Nonconformities Review

- In response to major supplier anomalies, we conduct unannounced inspections to identify root causes. Corrective action plans are developed and enforced to eliminate risks at the source.

### Annual On-Site Inspections

- We implement an annually supplier audit plan, evaluating key aspects such as food safety systems, secondary supply networks, raw material acceptance, finished product testing, and production process controls to ensure stringent quality oversight at every stage.

Supplier Evaluation System

During the Reporting Period, we conducted a comprehensive review of all suppliers and carried out 45 on-site evaluations for key raw material suppliers. These inspections focused on production workshops, warehouses, and quality control processes, utilizing unannounced audits to pinpoint weaknesses in suppliers' quality management systems and manufacturing processes. To address identified issues, we implemented strict corrective measures, including penalties, mandatory short-term corrective actions, and increased inspection frequency, ensuring that all concerns were effectively resolved.

We also established the *Supplier Performance Assessment Measures*, which evaluate suppliers across multiple dimensions, including product quality, delivery performance, and service standards. Based on audit and evaluation results, suppliers are classified into four tiers—A (Excellent) , B (Good) , C (Compliant with Room for Improvement) , and D (Non-Compliant) —allowing us to incentivize high performers, drive corrective actions, and phase out underperforming suppliers, fostering a more resilient and high-quality supply chain.

## Supply Chain Risk Management

We place great emphasis on managing potential risks throughout the supply chain. From supplier selection, evaluation, and assessment, we incorporate critical ESG factors such as environmental management, labor rights, business ethics, and climate change, aiming to build a responsible and sustainable supply chain.

## Environmental Risk Management

At the supplier access stage, we prioritize suppliers that demonstrate strong environmental awareness and possess well-established environmental management systems. This ensures that they use eco-friendly additives and fermentation materials during raw material fermentation processes. During the admission review, we evaluate suppliers based on the environmental technologies they utilize and the completeness of their environmental management systems, ensuring they have solid environmental management capabilities.

At the supplier evaluation stage, we have implemented an environmental oversight mechanism, regularly inspecting and verifying the implementation of suppliers' environmental measures. Suppliers failing to meet standards face penalties and are required to take corrective actions, which drives continuous improvement in environmental performance and compliance.

We also regularly conduct environmental training for suppliers, engaging them on topics such as environmental regulations and environmental management system development to enhance their awareness and capabilities. Furthermore, we carry out research on best practices from leading industry peers, gaining insights into their environmental management experiences. By learning from and adopting these successful practices, we strive to minimize environmental risks in our supply chain and continuously drive it toward greener, more sustainable practices.

### Supplier Wastewater Discharge System Renovation

During the Reporting Period, we urged one of our suppliers to upgrade its existing wastewater discharge system, specifically focusing on strengthening the pre-treatment process for salt-laden wastewater. This initiative led the supplier to install additional filtration and neutralization treatment units to separate recyclable substances like salt, ensuring that the treated wastewater meets or exceeds the discharge standards set by local environmental authorities. As a result of this project, the supplier's direct wastewater discharge in 2024 was reduced by approximately 30% compared to 2023, effectively reducing environmental risks associated with excessive discharge.

Case

We actively encourage suppliers to adopt circular materials. We have signed agreements with our suppliers, outlining the responsibilities and obligations of both parties regarding the use of recyclable materials. We promote the repeated use of packaging turnover boxes, flour bulk bags, ingredient barrels, and other materials, working together to build a green supply chain. During the Reporting Period, through the use of circular materials, we saved a total of 45 tons of packaging materials and approximately 128,000 RMB in costs for the year.





Social Risk Management

We integrate social factors, including supplier integrity, labor rights protection, and ethical management, into our supplier admission and evaluation processes. In 2024, we added requirements for improving employee welfare (such as health checks, professional skills enhancement, and training opportunities) to our supplier quality standards. We also require suppliers to disclose their human rights protection measures and commitments within the supply chain.

We have established the *Procurement Integrity Management Measures*, setting clear anti-corruption requirements for all business processes and defining penalties for violations. During the Reporting Period, we set up anti-corruption warnings and alerts on the SRM system page to ensure that suppliers are aware of our stance and requirements on anti-corruption, thus avoiding integrity risks arising from suppliers violating business ethics.

As a member of the Business Anti-Fraud Alliance and Sunshine Integrity Alliance, we share blacklists of suppliers with poor reputations with other members and refuse to cooperate with suppliers listed on the blacklists, creating a clean and trustworthy business environment.

Ensuring Supply Chain Stability

To ensure the ongoing stability of our supply chain and minimize risks from disruptions caused by extreme weather, policy changes, supplier non-compliance, or unforeseen social events, we have developed the *Procurement and Supply Emergency Response Management Measures*, which outlines the response processes for various risk scenarios, aiming to minimize the negative impacts of such risks on our production and operations.

Risk Type		Emergency Response Team	Response Time
Climate Risk	The impact of extreme weather such as typhoons, heavy rains, snowstorms, floods, freezing rain, etc. on production, logistics and transportation	Production-related departments	1 hour
		Quality-related departments	
Policy and Regulatory Risks	The impact of policies such as environmental protection audits and production and electricity restrictions on raw material delivery and production plans	Procurement-related departments	2 hours
		Marketing-related departments	
Quality Risk	The impact of suppliers on product safety and quality due to insufficient capabilities or irregularities		4 hours
Social Emergency Risk	The impact of accidents, disasters, public health, social security and other emergencies on the supply chain		Immediate response (no more than 20 minutes)

Risk Emergency Response Mechanism

During the Reporting Period, we implemented several optimizations to our supply chain risk management mechanism and system, effectively enhancing our ability to withstand supply chain risks.

- Enhancing the Risk Assessment System

  - We conduct comprehensive assessments of various supplier risks, further clarifying the potential impact, severity, and likelihood of each risk. Based on the results of these assessments, we implement corresponding emergency response measures.
- Optimizing the SRM System

  - We have optimized the SRM system's monitoring and early warning mechanisms for various supply chain risks. Leveraging big data analysis and artificial intelligence, we continuously monitor and assess supplier processes, product quality, and logistics operations. Based on these evaluations, we issue timely warnings to suppliers, prompting them to take necessary actions and enabling proactive management of supply chain risks.

Supplier Communication and Empowerment

The Group actively promotes the capacity building of suppliers, providing maximum support throughout all stages of collaboration. This is achieved through regular communication, skills training, targeted assistance, and experience sharing, continuously driving mutual growth.

For agricultural product suppliers such as konjac, zanthoxylum bungeanum, chili, and cumin, we implement a direct procurement model to ensure fair profits for farmers. At the same time, we conduct regular foresight analysis of raw material market price fluctuations, adjusting product purchase prices as necessary to support the sustainable development of farming and related industries.

We also continue to offer specialized guidance and support to suppliers with weaker capabilities or poor performance, aiming for collaborative progress within the supply chain. During the report period, in the case of batch abnormalities with a key supplier for boiled bags, we assigned relevant personnel from the procurement department to provide one week of on-site technical support to the supplier.

Support for Supply Abnormalities of Boiled Bag Supplier

Case

During the report period, upon identifying batch abnormalities with our key supplier for boiled bags, we promptly assigned relevant personnel from the procurement department to conduct a one-week on-site technical support. This included reviewing the execution of process sheets at each stage of production. We followed up with unannounced inspections of the supplier, and through on-site guidance, effectively resolved the issue of insufficient production capacity for the orders.

The procurement and quality teams of the Group conducted a joint review of the incident and successfully developed the *Raw Material Batch Abnormality Emergency Plan*. This plan aims to provide a standardized and practical action guide for handling similar events in the future, thereby minimizing the impact of such abnormalities on production.







# For Environment Ecosystem Protection

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Our Group actively responds to the national "dual carbon" policy and strategic requirements, insisting on integrating the concept of green and low-carbon development into production and operations, continuously optimizing the environmental and energy management systems. We seize the opportunities for green development, and actively promote environmental protection, energy saving and emission reduction, and resource optimization, creating an eco-friendly and resource-saving enterprise, promoting sustainable development, and creating a better future together.





# Environmental Management

The Group regards environmental management as the core of sustainable corporate development. We continuously optimize the environmental management system, establish and implement clear environmental management objectives, and set up a stringent environmental management performance evaluation system. This drives the harmonious progress of environmental protection and corporate development, achieving a win-win situation for both economic and ecological benefits.

## Environmental Management System

We strictly comply with national laws and regulations related to environmental management, including 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 Atmospheric Pollution*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise*, and the *Environmental Impact Assessment Law of the People's Republic of China*. We have established and continuously improved the Company's environmental protection system to effectively implement environmental management.

Based on a series of environmental protection systems, our Group has established a multi-level environmental management framework led by the board of directors to comprehensively promote environmental management work. In addition, we implement internal the *EHS Incident Classification Management System* to classify and control environmental incidents, and incorporate key environmental indicators into the performance assessment of relevant persons in charge and senior management, thereby strengthening the awareness of environmental protection responsibility among all employees and ensuring the achievement of environmental management objectives.



Adhering to our firm commitment to environmental protection and sustainable development, as of the end of the Reporting Period, the environmental management system has covered all plants.

## Environmental Goals

We have established firm goals and clear directions for action in environmental management. During the Reporting Period, based on the Group's environmental protection policies and the actual needs of business development, we established comprehensive environmental management objectives to minimize the potential negative impacts of our operations on the environment. By the end of the Reporting Period, the Group had not incurred any environmental penalties, and all pollutant disposal targets had been achieved.



2024 Environmental Performance



# Energy Management

Our Group is committed to building a green future by establishing a comprehensive energy management system and implementing innovative energy-saving measures. We aim to enhance energy management, continuously optimize energy usage, reduce energy costs, and contribute to the low-carbon transformation of the food industry.

## Energy Management System

Our Group consistently regards energy management as a core component of its sustainable strategy, striving to build an efficient and environmentally friendly energy management system to achieve a win-win situation for both economic benefits and environmental responsibility. We strictly adhere to energy management-related laws and regulations, including the *Energy Conservation Law of the People's Republic of China*, the *Renewable Energy Law of the People's Republic of China*, and the *Administrative Measures for Energy Conservation in Key Energy Consumers*. We continuously revise and improve the *Weilong Group Energy Management Standards* and optimize the assessment mechanism for responsible units and individuals regarding energy usage indicators, ensuring the institutionalization and standardization of energy management.

Under the support of a robust system, the Ping Ping Foods plant under our Group has obtained ISO 50001 Energy Management System certification, laying the foundation for systematic and standardized energy management practices.



ISO 50001 certification of Ping Ping Foods plant under our Group

## Energy Use

Our Group's primary energy consumption for production and operations are power plant steam, pipeline natural gas, and electricity from the national grid. We continuously optimize the energy structure and adopt green energy-saving technologies. We actively utilize photovoltaic power generation and biogas boiler projects to provide self-generated energy and steam for production and operations, thereby reducing greenhouse gas emissions.

Our Group is actively advancing the green energy strategy by constructing photovoltaic power generation projects at the Weidao and Xinglin plants, effectively harnessing solar energy resources. During the Reporting Period, the total photovoltaic power generation of the Group reached 13,299.3 thousand kWh, of which 12,723.6 thousand kWh was used internally, and 575.7 thousand kWh was fed into the grid, accounting for 4.33% of the total. Compared to using externally purchased electricity, this reduced carbon dioxide emissions by 7,450.94<sup>2</sup> tons. Additionally, the biogas boilers at the Weidao, Xinglin, and Pingping plants collectively produced 10,642 tons of steam, an increase of 4,937 tons compared to 2023. The self-generated steam is directly integrated into the steam network for use in production workshops, significantly improving energy utilization efficiency.

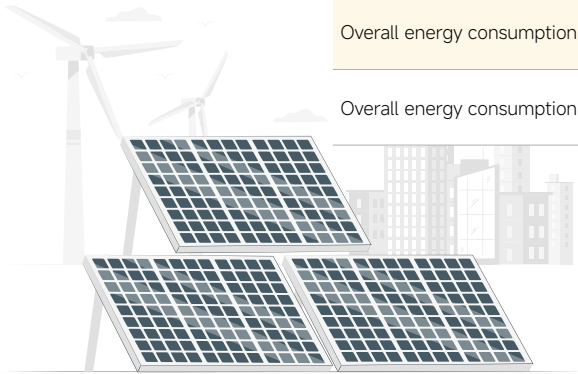
Details of Photovoltaic Power Generation at Weidao plant and Xinglin plant under the Group

Name of Plants	Total Photovoltaic Power Generation (10,000 kWh)	Self-consumed Electricity (10,000 kWh)	Self-consumption Ratio
Weidao plant	775.34	74790	96%
Xinglin plant	554.59	524.46	95%

Total main energy consumption and energy consumption intensity in 2024<sup>3</sup>

The types of energy consumed by our Group and the respective amounts of consumption in 2024 are detailed in the table below.

Energy/Indicator	Total Amount/Intensity	Unit
Gasoline	5.64	Tonnes
Diesel	12.95	Tonnes
Photovoltaic generation for own use	1.27	10,000,000 kWh
Pipeline natural gas <sup>4</sup>	340.14	10,000 Cubic meters
Biomass fuel	45.81	10,000 Cubic meters
Outsourced steam (power plant)	22.00	10,000 Tonnes
Outsourced electricity	13.49	10,000,000 kWh
Total direct energy consumption	5,692.40	Tonnes of standard coal
Total direct energy consumption intensity	0.91	Tonnes of standard coal per million revenue
Total indirect energy consumption	44,871.70	Tonnes of standard coal
Total indirect energy consumption intensity	7.16	Tonnes of standard coal per million revenue
Overall energy consumption	50,564.10	Tonnes of standard coal
Overall energy consumption intensity	8.07	Tonnes of standard coal per million revenue



<sup>2</sup> Calculated based on the National Average CO<sub>2</sub> Emission Factor for Electricity of 0.5856 kgCO<sub>2</sub>e/kWh as specified in the "Announcement on the Release of the 2022 Power Carbon Dioxide Emission Factors."

<sup>3</sup> This year, the scope of energy consumption data is updated to include our Shanghai office and overseas factory in Indonesia. Due to the expansion of the statistical scope and the increase in production capacity, both the total amount of direct and indirect energy consumption in 2024 have increased compared to the previous year. The direct and indirect energy consumption figures in this table were calculated based on the principles of converting various energy sources to standard coal equivalents, as outlined in GB/T 2589 General Rules for Calculation of the Comprehensive Energy Consumption, along with the corresponding reference coefficients for these conversions.

<sup>4</sup> The amount of natural gas consumption has increased significantly compared to the previous year, mainly due to the substantial amount of natural gas consumed in the production processes of our overseas factory in Indonesia whose energy consumption is included since 2024.

# Resource Usage

We keep up with industry trends by combining advanced energy-saving technologies with production practices, continuously improving technology and processes to save energy, reduce emissions, and increase efficiency. We upgrade high-energy-consuming equipment, use advanced machinery in new projects, and improve waste cold recovery in production. These efforts help us lower energy use, boost productivity, and support our green and low-carbon production goals.



While focusing on energy conservation in production, we also strengthen energy management in daily operations and activities. We promote energy-saving awareness among employees through morning meetings and weekly sessions, and conduct monthly energy consumption comparisons and cause analysis for each product category to maximize energy efficiency while ensuring production. Additionally, we optimize air conditioning temperatures and power schedules in office areas to reduce unnecessary energy consumption, creating a more energy-efficient and productive workplace.

Our Group places great emphasis on resource management and focuses on environmental protection, striving tirelessly to build a resource-saving and green-recycling operational model. We actively implement water-saving technologies, reform production processes, and adopt innovative packaging to reduce water and raw material waste in production, as well as decrease the use of paper and plastic in packaging materials, significantly improving resource utilization efficiency. Through practical actions, we contribute to the green and low-carbon transformation.

## Water Resources Management

Our Group adheres to relevant laws and regulations such as the *Water Law of the People's Republic of China* and follows internal resource management strategies to manage water usage in production and office operations. We actively undertake water-saving actions and technological upgrades to continuously reduce water consumption per product. Additionally, as a food production enterprise, we prioritize water quality safety and regularly send water samples to third-party institutions for testing to ensure compliance with GB 5749 Standards for Drinking Water Quality.



### Water-Saving Process Improvement for Konjac Production Line

The konjac production line has eliminated the cooking process and instead uses steam thawing in cold storage, saving 5 tons of water per hour and 76,800 tons of water annually per workshop. Additionally, the production line has removed the forming pipeline process, saving 10 tons of water per day and 38,400 tons of water annually per workshop.

The main source of water consumed for our Group is municipal water. Our Group's water usage for the year is as follows:

Indicator	Total Amount/Intensity	Unit
Total water consumption <sup>5</sup>	3,076.84	Thousand cubic meters
Intensity of water consumption	0.49	Thousand cubic meters per million revenue

2024 total water consumption and intensity

<sup>5</sup> In 2024, the statistical scope of water consumption is updated to include our Shanghai office and overseas factory in Indonesia. Due to the expansion of the statistical scope and the increase in production capacity, the amount of water consumption increased compared to the previous year.



## Management of Raw and Auxiliary Materials

Under the principle of "cherishing and saving grain" while maintaining product quality, our Group continuously optimizes production line processes to effectively reduce the loss of raw and auxiliary materials, thereby improving resource utilization.

### RGV Cart Outlet Transformation

Case

At the Weidao plant, the frequent opening and closing of the RGV cart's discharge plate caused severe oil leakage, increasing cleaning and maintenance costs and affecting production efficiency. We redesigned the oil collection tray and improved the performance of the discharge plate cylinder, reducing material waste and preventing product and oil spills, which lowered cleaning and maintenance costs.

### Optimization of Citric Acid Monohydrate Usage

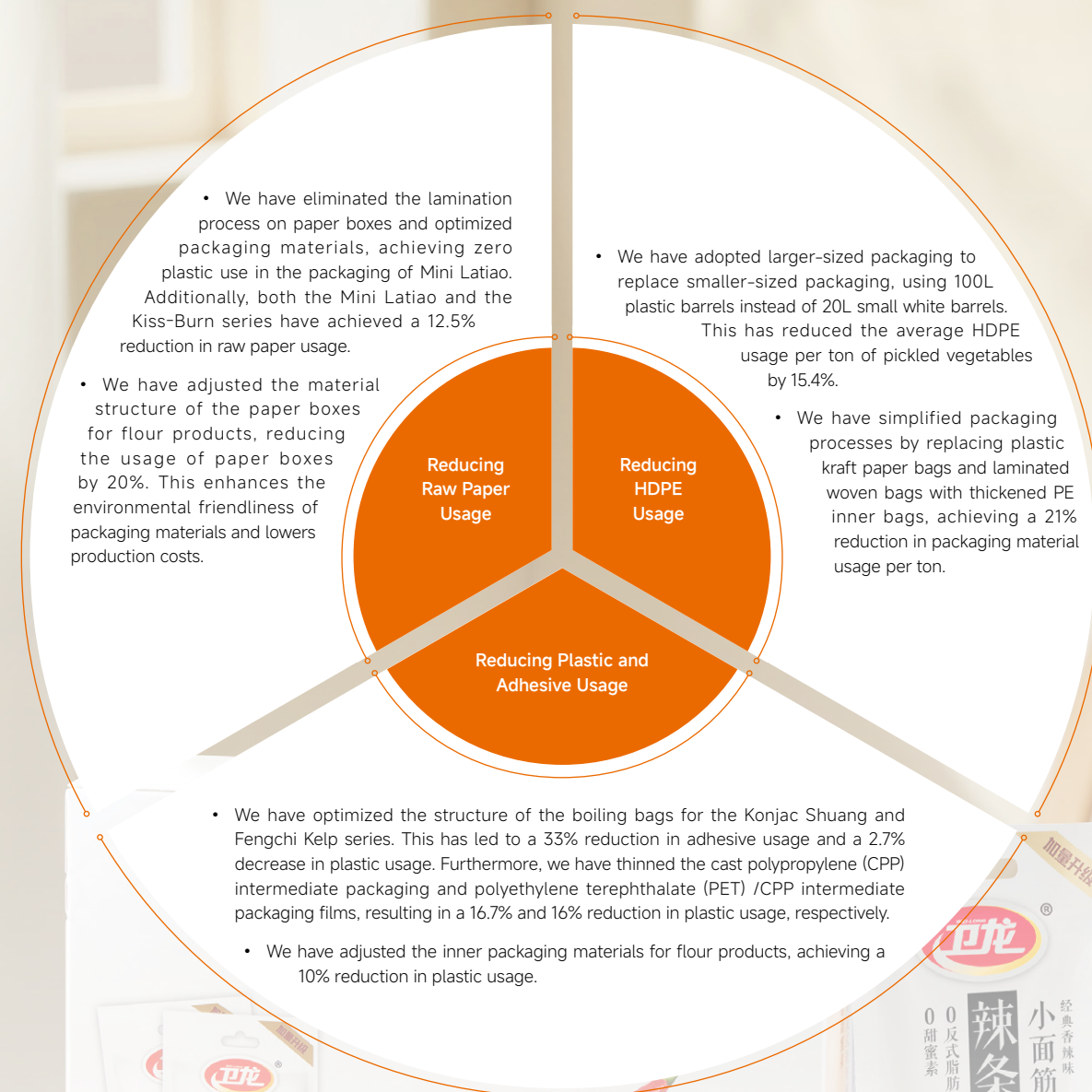
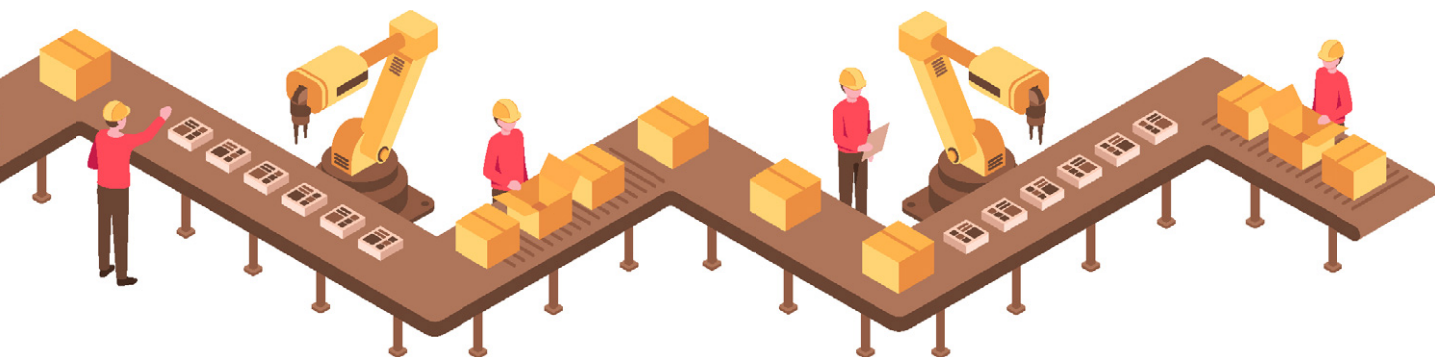
Case

During konjac processing, citric acid monohydrate is used multiple times for soaking, leading to high consumption and increased treatment costs for acidic wastewater neutralized with sodium hydroxide. By adjusting the process, we reused the soaking water from later stages in earlier stages, reducing citric acid usage by about 15% while maintaining product quality and enhancing resource recycling efficiency.

## Management of Packaging Materials

Our Group consistently adheres to the principles of "Reduce, Reuse, and Recycle" (3R) in the research and application of packaging materials. While ensuring that packaging materials comply with environmental standards, we continuously strive to minimize the negative impact of packaging waste on the natural ecosystem. This approach enhances the green competitiveness of our products and fosters a sustainable industrial ecosystem.

During the Reporting Period, we implemented several packaging optimization measures. These included eliminating the lamination process on paper boxes, optimizing packaging structures, using larger-sized packaging, and simplifying packaging techniques. These initiatives have reduced the use of raw paper, plastics, adhesives, and high-density polyethylene (HDPE). These efforts not only save significant packaging resources and effectively lower material costs but also provide innovative solutions for environmentally friendly packaging in the industry, thereby minimizing the adverse effects on the natural environment.



Usage of various packaging materials in 2024

During the Reporting Period, our Group's packaging material usage and usage intensity are as follows:

Indicator	Total Amount/Intensity	Unit
Metals	2,596	Tonnes
Paper	39,433	Tonnes
Plastics	25,111	Tonnes
Packaging material usage intensity	10.71	Tonnes per million revenue



# Emissions Management

We strictly adhere to the Group's environmental management system to ensure compliant emissions of waste gas, wastewater, and solid waste during production and operations, while fully implementing waste reduction strategies. We comply with national regulations such as the *Pollutant Discharge Permit Management Measures* and the *Technical Guidelines for Mobile Source Supervision and Verification in Key Industries*. We have established internal management systems, including the *Three Wastes Management System*, the *Pollutant Discharge Permit Declaration and Implementation Management System*, and the *Hazardous Waste Management System*. During the Reporting Period, we updated the *Environmental 'Three Simultaneities' Management System* to clarify responsibilities and operational procedures for emissions management.

## Wastewater Management

Our Group is committed to pollution control in accordance with the law, strictly adhering to the *Water Pollution Prevention and Control Law of the People's Republic of China*, and local wastewater discharge standards. We ensure that wastewater generated during production is treated in compliance with regulations.

To guarantee that wastewater meets discharge standards, our plants have implemented a series of wastewater treatment measures, including comprehensive pretreatment, anaerobic treatment, aerobic treatment, and advanced treatment and etc. During the Reporting Period, our wastewater discharge compliance rate was 100%, and there were no incidents of accountability or penalties due to non-compliant wastewater discharge.

### Rainwater and Sewage Separation Renovation Project at the Pingping Plant

Case

To address the issues of waterlogging and sewage overload caused by the aging rainwater and sewage pipelines at the Pingping plant, we implemented a renovation project in April 2024. This project involved constructing a new rainwater collection tank and adding steel gate valves to the rainwater discharge outlets. These measures enabled the separation of rainwater and sewage during the flood season, facilitating the timely discharge of rainwater and improving sewage treatment efficiency. The project has achieved significant environmental benefits.

Meanwhile, we actively respond to regulatory guidelines and have established a comprehensive wastewater monitoring system to meet the latest national and local requirements for wastewater discharge management. This system implements both internal and external monitoring mechanisms, enabling real-time monitoring of wastewater treatment and discharge processes. It ensures that emissions consistently comply with the latest environmental standards, thereby safeguarding the surrounding environment and helping us fulfill corporate environmental responsibilities.

#### Internal test

- Our headquarter, in collaboration with the environmental and safety departments of the plants, regularly supervises and inspects the frequency and quality of tests conducted by wastewater station operators in accordance with the *Sewage Treatment System Operation Management Specifications*.

#### External test

- According to the requirements of the environmental assessment and discharge permit, the relevant departments of the plant environment and safety entrust qualified third-party monitoring agencies to conduct regular wastewater discharge testing to ensure the accuracy of the testing and the effectiveness of the report.
- We entrust a qualified third-party agency to conduct online monitoring of wastewater discharge outlets, and explicitly stipulate management and responsibilities of both parties in the contract. At the same time, environmental and safety engineers regularly inspect the monitoring records and equipment calibration to ensure accurate monitoring and timely rectification of any anomalies found.

Relevant Wastewater Indicators in 2024<sup>6</sup>

Indicator	Total Amount	Unit
Total discharge of industrial wastewater	2,624,300	Tonnes
COD discharge amount	44.64	Tonnes
Ammonia nitrogen discharge amount	9.95	Tonnes

## Waste Gas Management

Our Group adheres to the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and strictly complies with local air emission standards, implementing multiple measures to ensure proper management of exhaust emissions. During the Reporting Period, we conducted regular inspections of exhaust emissions at each plant, including boiler exhaust inspections, odorous gas inspections at wastewater treatment stations, and organized and unorganized exhaust inspections at plant boundaries. Through targeted classification management measures, we comprehensively ensured the compliance of exhaust emissions.

### Waste Gas from Wastewater Treatment

Using deodorizing spray towers to treat odorous gas, hydrogen sulfide, and ammonia

Workshop dust: Employing bag filters and exhaust funnel to remove dust

### Dust Generated in the Production Workshop

### Oil Fume Generated in the Production Workshop

Using oil fume purifiers, UV photolysis devices, and exhaust funnel to purify oil fumes

Treating oil fumes through oil fume purifiers and exhaust funnel

Our Group's Measures for Categorized Treatment of Waste Gases

### Oil Fumes from Central Kitchens

## Waste Management

Our Group has implemented comprehensive and stringent measures in waste management to ensure compliance with national laws, regulations, and safety standards. We strictly adhere to national laws and regulations such as the *Solid waste classification and code directory*, the *Guidelines for the Release of Information on the Prevention and Control of Environmental Pollution by Solid Waste*. We have also established internal management systems, including the *Hazardous Waste Management System*, *Standard for Pollution Control on Hazardous Waste Storage*, *Technical Specification for Setting Identification Signs of Hazardous Waste*, and the *Waste Warehouse Management System*, to standardize the collection, storage, and recycling processes of waste, providing a solid institutional foundation for waste management.

At the same time, we have established a scientific classification system for waste, implemented dynamic monitoring, and engaged third-party disposal services, among other comprehensive measures. These efforts ensure the standardized and systematic management of waste, effectively enhancing resource recovery rates and environmental safety levels, thereby providing strong support for the green development of the corporate.

<sup>6</sup> Due to the increase in production capacity, the amount of wastewater related indicators increased compared to the previous year.



# Addressing Climate Change

## Non-Hazardous waste

- General solid waste is managed through classification, and contracts are signed with treatment agencies for regular transfer or reuse by partners.
- The plant's responsible department follows up monthly on the final disposal methods of general solid waste and sludge generated by the wastewater treatment station to ensure compliant handling.

## Hazardous waste

- Hazardous waste is stored separately and labeled promptly to meet regulatory requirements.
- A hazardous material Internet of Things (IoT) monitoring system has been established, and third-party companies are commissioned for its operation and maintenance to ensure standardized management of hazardous waste.
- Hazardous waste generated by the plants is treated harmlessly by qualified third parties, with comprehensive oversight from generation, storage, and transfer to disposal. Environmental safety engineers are responsible for tracking the transfer and delivery of hazardous waste.

Our Group's waste management and disposal practices

During the Reporting Period, the amount of non-hazardous waste and hazardous waste generated by our Group are as follows:

Indicator	Total Amount/Intensity	Unit
Total non-hazardous waste <sup>7</sup>	12,797.96	Tonnes
Intensity of non-hazardous waste	2.04	Tonnes per million revenue
Total hazardous waste <sup>8</sup>	19.32	Tonnes
Intensity of hazardous waste	0.003	Tonnes per million revenue



<sup>7</sup> Due to the increase in production capacity, the total amount of non-hazardous waste generated increased accordingly.

<sup>8</sup> In 2024, additional equipment was commissioned to accommodate the increase in production capacity. The engine oil of some equipment was replaced in 2024. This led to the generation of a substantial amount of waste engine oil and an increase in the total amount of hazardous waste of the Year.

Our Group is committed to long-term development and actively engages in initiatives to address climate change. We conduct in-depth analyses of the potential risks posed by climate change while keenly identifying the opportunities it presents for business growth. For risks, we develop targeted measures to mitigate them; for opportunities, we actively seize and leverage them to drive our own development and enhance our sustainability capabilities. Through these efforts, we demonstrate our corporate social responsibility and forward-thinking approach, integrating our green transformation with sustainable development. This not only provides valuable insights for the industry in tackling climate change, but also contributes to society's transition toward a low-carbon future.

## Governance

Our Group has established an ESG governance framework and is progressively strengthening and refining the climate change governance mechanism. We integrate the responsibilities for managing climate risks and opportunities into the daily agendas of the Board of Directors, the ESG Management Team, and the ESG Working Group.

The Board of Directors, as the highest ESG decision-making body, is fully responsible for addressing climate change-related matters, overseeing strategy formulation, and conducting annual reviews of environmental targets such as climate and energy consumption.

The ESG Management Team assists the Board of Directors in identifying climate change risks and opportunities based on internal operations and external environments. They formulate and promote the implementation of relevant strategies and disclose related sustainability information. Additionally, the ESG Management Team enhances the climate risk awareness of the Board of Directors and senior management through internal reporting and climate-change-related training, thereby improving their ability to make relevant decisions and manage climate-related issues effectively.

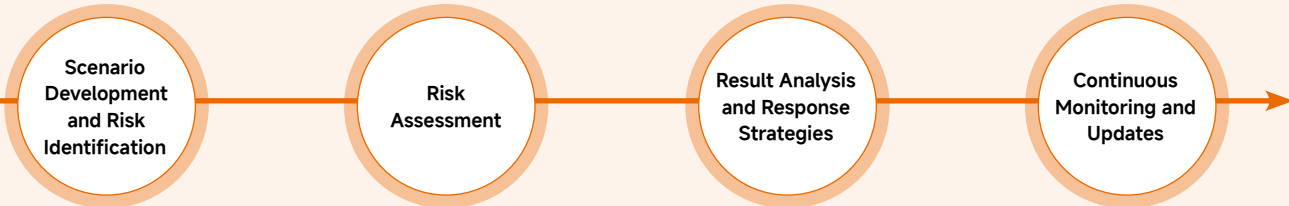
The ESG Working Group is responsible for following up on the decomposition of climate change targets and emission reduction action plans, driving the implementation of related projects, and regularly reporting progress and achievements to the Board of Directors to ensure the effectiveness of climate change response efforts.

## Strategy

Our Group follows a systematic process for identifying climate change risks and opportunities. We evaluate physical and transition risks by integrating historical climate data, peer company analysis, policy developments, and market trends, while also exploring opportunities in areas such as green energy and sustainable products. Through scenario analysis tools, we simulate the impact of different climate scenarios on our business to ensure a comprehensive assessment. Based on this, we develop and implement targeted risk mitigation measures and business adjustment strategies. Additionally, we continuously monitor and update our identification results to ensure the effectiveness and adaptability of our strategies.







- Develop climate scenarios, define climate parameters, and select at least two climate scenarios (strict pathway and high emissions/business-as-usual pathway) .
- Compile a list of climate-related risks and opportunities based on the TCFD framework, the implementation guidelines for climate information disclosure by the stock exchange, and the actual conditions of corporate's operations.

- Assess the exposure to climate risks at each operational location/business segment, including both physical and transition risks.
- Evaluate the risk levels across our operational regions/plants and rank them based on likelihood and impact.

- Analyze the risk assessment results and classify risks by likelihood and impact.
- Develop corresponding response strategies based on the identified risks and opportunities, including risk mitigation measures, business model adjustments, and innovative investments.

- Continuously monitor the latest developments in climate change and regularly update the results of risk and opportunity identification.
- Ensure the timeliness and effectiveness of response strategies.

Our Group's climate change risk and opportunity identification process



Based on the scenario analysis frameworks of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) , we conduct an in-depth assessment of climate change risks and selected appropriate scenarios for analysis. For physical risks, we chose the SSP1-2.6 and SSP5-8.5 scenarios, representing low-emission futures under proactive emission reduction policies and high-emission futures, respectively. These scenarios help us evaluate the physical risks we may face under different climate policies.

For the analysis of transition risks, we selected the Announced Pledges Scenario (APS) and the Net Zero Emissions (NZE) scenario. The APS scenario considers the situation where governments meet their climate commitments on time, while the NZE scenario outlines the pathway to achieving global net-zero carbon emissions by 2050. These scenarios provide a basis for identifying the challenges and opportunities we may encounter during the transition to a low-carbon economy.

Below are the scenario definitions:

#### Physical Risk Analysis Scenarios

##### SSP1-2.6 Scenario

This scenario, proposed by the Intergovernmental Panel on Climate Change (IPCC) , combines a sustainable socio-economic development pathway (SSP1) with a concentration pathway (RCP2.6) . In this scenario, strong global emission reduction measures are implemented, keeping greenhouse gas concentrations at low levels, with the global temperature rise expected to be controlled within 2°C .

##### SSP5-8.5 Scenario

This scenario, proposed by the IPCC, combines a high-risk socio-economic development pathway (SSP5) with a concentration pathway (RCP8.5) . In this scenario, due to heavy reliance on fossil fuels, greenhouse gas emissions continue to increase, leading to a significant rise in greenhouse gas concentrations, with global temperatures potentially rising above 3°C , possibly even exceeding 4°C .

#### Transition Risk Analysis Scenarios

##### Announced Pledges Scenario (APS)

It is assumed that all climate commitments made by governments worldwide, including Nationally Determined Contributions (NDCs) and long-term net-zero targets, are fully achieved on time.

##### Net Zero Emissions Scenario (NZE)

It is assumed that net-zero carbon dioxide equivalent emissions are achieved by 2050. Achieving this goal requires governments worldwide to further enhance their current NDCs and net-zero commitments.

Based on the established scenarios, we comprehensively assessed the impact of climate change risks and opportunities across three time horizons: short-term (0-2 years) , medium-term (2-5 years) , and long-term (over 5 years) , and determined the low, medium, and high levels of these risks and opportunities.

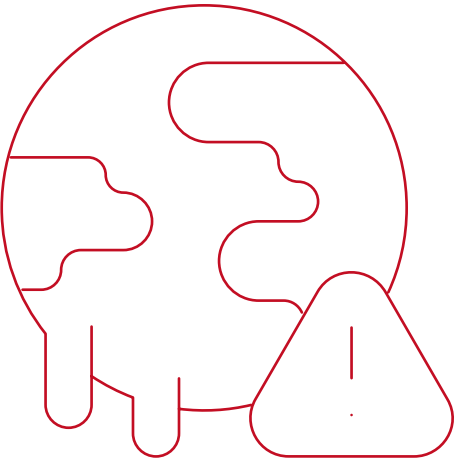
We thoroughly identified and prioritized climate change risks and opportunities. Referring to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and the International Sustainability Standards Board (ISSB) 's "International Financial Reporting Standards for Sustainability Disclosure No. 2—Climate-related Disclosures," we considered both acute and chronic physical risks as well as transition risks related to policy and regulatory changes, technological challenges, market shifts, and reputational risks. This process resulted in a comprehensive list of climate change risks. By evaluating the impact and likelihood of these risks, we identified those that could significantly affect our business operations and developed corresponding mitigation measures.



The following is a list of risks and opportunities identified by the Group.

Physical Risks

Under the SSP1-2.6 scenario, the locations of our offices and production sites in Henan Province, Shanghai, and overseas are subject to a "moderate" level of acute and chronic physical climate risks. Under the SSP5-8.5 scenario, the level of risk impact further increases. Our analysis indicates that physical climate risks will have certain impacts on the safety of our Group's equipment, the stability of the supply chain, and the health and safety of employees.



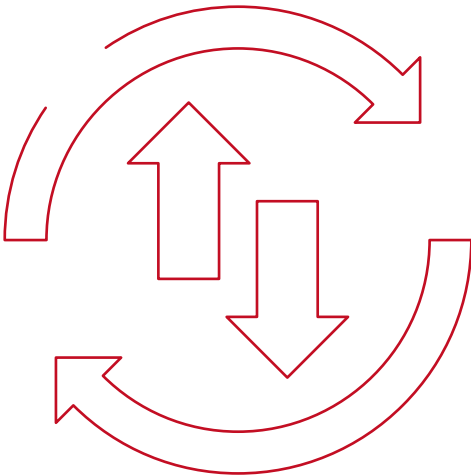
Risk Type	Specific Risk	Time Dimension	Comprehensive Impact	Risk Description	Response Initiatives
Acute	Extreme Heat	Long-term	Medium	<p>In recent years, extreme heat events have frequently occurred in various regions. For example, the number of high-temperature days (≥35° C) and extreme high-temperature days (≥40° C) in Luohe City, Henan Province, and Shanghai during the summers of 2022-2024 has significantly increased, with rare consecutive extreme heat events recorded. Additionally, extreme heat conditions have been increasingly observed in our overseas production and operation locations.</p> <p>Extreme heat may damage crops, increase raw material costs, raise product costs, and affect supply chain stability. Additionally, extreme heat may increase equipment maintenance needs, reduce production efficiency, increase energy consumption and equipment wear, and raise costs for cooling and employee health and safety, negatively impacting long-term economic performance.</p>	<p><b>Enhance supply chain stability:</b> Strengthen strategic supply chain partnerships, stabilize procurement costs, and adopt high-temperature-resistant packaging and transportation technologies to ensure product quality during transit and storage.</p> <p><b>Protect equipment safety:</b> Strengthen equipment inspection and maintenance, equip backup power supplies, and ensure safe and stable equipment operation.</p> <p><b>Ensure employee health and safety:</b> Optimize work processes under extreme heat, implement cooling measures, and improve emergency response mechanisms.</p>
	Drought	Medium-term, Long-term	Medium	<p>Drought, as an extreme climate phenomenon, may significantly impact The Group's production operations and supply chain stability. Drought can lead to water shortages, directly affecting production water supply, potentially forcing production bases to implement water restrictions or even suspend production lines, reducing efficiency and increasing operational costs. Additionally, The Group's main raw materials (e.g., wheat, chili) are highly sensitive to climate conditions, and drought may reduce crop yields or quality, affecting raw material supply stability and procurement costs.</p>	<p><b>Water conservation and management:</b> Introduce water-saving technologies and equipment, optimize water usage processes, establish rainwater collection and water recycling systems, and reduce reliance on natural water sources.</p> <p><b>Supply chain diversification:</b> Establish a multi-regional supply network to ensure the continuous supply of raw materials from other channels if one region is affected by drought. Explore drought-resistant crops or alternative raw materials to reduce climate impact.</p> <p><b>Emergency plans:</b> Develop drought response mechanisms, including water restriction production plans and production line adjustment plans, to ensure a quick response to drought impacts.</p>
	Floods	Medium-term	Medium	<p>In recent years, multiple regions in Henan Province have experienced severe floods, causing significant casualties and property damage. Additionally, Shanghai and Southeast Asian coastal cities face flood risks from typhoons, heavy rainfall, and rising sea levels.</p> <p>Floods, as severe natural disasters, may directly impact The Group's production facilities, supply chain, and inventory management. Firstly, floods may damage production facilities, including equipment immersion and structural damage, affecting production line operations and reducing production capacity in the short term. Secondly, floods may disrupt raw material procurement and transportation, causing supply chain disruptions and affecting production continuity. Additionally, floods may inundate warehouses, causing inventory losses and exacerbating market supply shortages, leading to short-term operational pressures and financial burdens.</p>	<p><b>Facility protection:</b> Strengthen flood protection for production facilities, such as raising foundations and installing waterproof facilities, and prioritize locating new factories in low-risk areas.</p> <p><b>Logistics network optimization:</b> Establish a flexible logistics system, plan alternative transportation routes in advance, avoid flood-induced transportation disruptions, and ensure timely delivery of raw materials and finished products.</p> <p><b>Emergency plans and inventory optimization:</b> Develop flood emergency plans, including equipment protection and production adjustment measures, and stockpile key raw materials and finished products in advance during flood-prone periods.</p> <p><b>Risk monitoring:</b> Use meteorological data and early warning systems to monitor flood risks in real-time, cooperate with relevant departments, and take preventive measures promptly.</p>
Chronic	Rising Average Temperatures	Long-term	Low-Medium	<p>According to data from China Meteorological Administration (CMA) , the national average temperature in 2024 reached 10.9° C, 1.01° C higher than usual, surpassing the 10.71° C in 2023, setting a new historical record.</p> <p>Average temperature rise may increase the risk of equipment overheating in production facilities, affecting production efficiency and equipment lifespan. Additionally, high-temperature environments may increase occupational health and safety costs and lead to sustained low work efficiency. Furthermore, temperature rise may affect raw material production and storage conditions, leading to product quality degradation or increased storage costs. Overall, average temperature rise may challenge The Group's long-term operational stability, production costs, and employee well-being.</p>	<p><b>Strengthen equipment management:</b> Improve equipment temperature monitoring systems, conduct regular preventive maintenance, optimize equipment cooling systems, and equip emergency cooling devices to ensure stable equipment operation in high-temperature environments.</p> <p><b>Enhance occupational health protection:</b> Optimize workshop ventilation and cooling facilities, adjust work schedules reasonably, provide employees with heatstroke prevention supplies, establish high-temperature weather emergency plans, and conduct regular employee health monitoring to ensure a comfortable work environment and employee well-being.</p> <p><b>Improve storage and transportation management:</b> Upgrade temperature control systems for raw material and product storage facilities, optimize storage layout and management processes, adopt intelligent temperature and humidity monitoring technologies, and ensure product quality stability. Strengthen strategic partnerships with suppliers, establish diversified supply channels, and enhance supply chain resilience.</p>





Transition Risks

The overall impact level of climate transition risks faced by our Group is "low" or "medium" . Under the Announced Pledges Scenario (APS) , the risks we face require our Group to pay attention to the requirements and changing trends of the regulators, the market and other stakeholders, and steadily advance the low-carbon transition. Under the Net-Zero Emissions by 2050 scenario (NZE) , we may need to undertake more aggressive and large-scale climate transition capacity building.



Risk Type	Specific Risk	Time Dimension	Comprehensive Impact	Risk Description	Response Initiatives
Policy and Law	Carbon Price Increase	Long-term	Low	Our Group may face increased operational costs due to rising carbon prices. This includes increased carbon emission costs due to government policies, market demand, or international agreements, such as the introduction or increase of carbon taxes or rising carbon credit prices in carbon trading systems. This may directly impact The Group's operational costs, potentially leading to higher product prices and affecting competitiveness.	<b>Carbon asset management enhancement:</b> Establish dedicated carbon asset management system to monitor and optimize carbon emissions; purchase carbon credits or participate in carbon trading markets to flexibly manage carbon assets. <b>Technological innovation:</b> Invest in R&D for low-carbon technologies and clean energy solutions, such as solar and wind energy; introduce advanced energy-saving and emission-reduction technologies and equipment, optimize production processes, and reduce carbon emissions. <b>Supply chain optimization:</b> Collaborate with suppliers to promote carbon reduction across the supply chain, select low-carbon raw materials and logistics methods, and implement green procurement policies, prioritizing environmentally certified suppliers.
	Strengthened Requirements for Emission Reporting	Short-term, Medium-term	Medium	With the strengthening of emission reporting obligations, The Group's requirements for carbon emission monitoring, data collection, and reporting are gradually increasing. If The Group fails to effectively address emission reporting obligations, it may face compliance-related penalties and, in the context of increasing consumer and investor attention to environmental responsibility, affect company reputation and market competitiveness.	<b>Data management:</b> Hire external experts for data accounting and training, ensuring internal teams master Scope 1, 2, and 3 greenhouse gas emission data collection methods and disclose relevant emission data compliantly. <b>Regular training:</b> Provide regular training to relevant employees to ensure they understand the latest emission reporting requirements and processes.
	Mandatory regulation of Existing Products and Services	Short-term, Medium-term	Medium	Under the <i>Guiding Opinions on Vigorously Implementing Renewable Energy Replacement Actions</i> and the dual-carbon strategy, The Group faces challenges in adapting to new environmental and energy efficiency standards. As policies are implemented, governments and regulatory agencies may raise standards for product safety, environmental protection, and quality. This regulatory strengthening may force The Group to adjust its product lines and service models to meet higher environmental and quality standards. Failure to adapt may result in reputational damage, market shrinkage, or even forced market exit, increasing business interruption risks.	<b>Quality control and product upgrades:</b> Enhance product quality control to ensure compliance with the latest safety and environmental standards. Gradually phase out products that do not meet new environmental standards and launch more environmentally friendly and sustainable product lines. <b>Production process improvement:</b> Introduce energy-saving and environmentally friendly production technologies to reduce carbon emissions and resource consumption during production. <b>Policy tracking and compliance management:</b> Stay informed and adapt to new regulatory policy requirements to ensure compliance.
Technology	Cost of Transitioning to Lower Emission Technologies	Medium-term, Long-term	Low	The Group may face increased upfront and operational costs during the transition to low-carbon technologies. This risk may stem from significant investments in new energy equipment, existing infrastructure upgrades, and R&D for innovative technologies. Failure to effectively absorb or distribute these costs may weaken The Group's market competitiveness and profitability, especially in the context of rapidly growing low-carbon technology demand but insufficient policy support, market incentives, or technological maturity.	<b>Phased implementation:</b> Prioritize low-cost, quick-yielding projects, such as optimizing logistics routes or trialing eco-friendly packaging, and gradually implement equipment upgrades and energy structure optimization. <b>Cost-sharing collaboration:</b> Share transition costs with suppliers and logistics partners, such as jointly purchasing eco-friendly materials or sharing new energy logistics resources. Utilization of incentives: Actively seek government subsidies, tax incentives, and other policy support. <b>Technological innovation:</b> Strengthen cooperation with green technology suppliers to promote innovation and standardization of low-carbon technologies.
Market	Raw Material Price Increase	Medium-term, Long-term	Medium	The Group may face raw material price increases due to climate change and global carbon emission requirements. This risk may stem from supply chain disruptions, rising carbon emission costs, and additional expenses from green technology promotion. Rising raw material prices will directly increase production costs, affecting product pricing, corporate profits, and market competitiveness.	<b>Long-term partnerships:</b> Establish long-term partnerships with core suppliers to lock in raw material prices and supply volumes, reducing the impact of market price fluctuations. <b>Sustainable agricultural practices:</b> Promote water-saving, energy-saving, and low-carbon cultivation technologies with agricultural partners to increase crop yields and stability, reducing climate-induced yield reduction risks. <b>Low-carbon supply chain optimization:</b> Prioritize low-carbon suppliers, optimize logistics routes, and use clean energy transportation to reduce carbon emissions in the supply chain, alleviating carbon cost pressures. <b>Sustainable procurement and technological innovation:</b> Implement sustainable procurement strategies, select suppliers with strong environmental capabilities, and promote recycling technologies in packaging materials to reduce long-term costs.
Reputation	Consumer Preference Shift	Short-term, Medium-term	Medium	The Group may face market risks due to shifts in consumer preferences. These risks include increased consumer demand for environmentally friendly and healthy products, as well as greater attention to brand transparency and social responsibility, which may directly impact The Group's brand image and sales performance.	<b>Product innovation and upgrades:</b> Continuously develop healthy, low-carbon, and environmentally friendly product formulations, reduce additive use, and develop new product categories that align with healthy eating concepts. Optimize packaging design using biodegradable or recyclable materials to reduce packaging waste. <b>Enhance brand transparency:</b> Establish a product lifecycle traceability system, publicly disclose raw material sources, production processes, and carbon footprint data, and demonstrate corporate environmental and social responsibility actions and achievements. <b>Strengthen consumer communication:</b> Communicate corporate sustainability philosophy and practices through multiple channels, promptly understand and respond to consumer demands for product health and environmental friendliness, and enhance brand trust.
	Increased concern or Negative Feedback from stakeholders	Short-term, Medium-term	Low	The Group may face reputational risks due to increased stakeholder attention to sustainability and environmental responsibility. These risks may directly impact The Group's brand image and market competitiveness, leading to decreased stakeholder trust and reduced sales.	<b>Strengthen ESG management:</b> Establish a dedicated sustainability committee under the board of directors, set clear environmental goals and action plans, strengthen ESG risk assessment management, and incorporate assessment results into decision-making. <b>Enhance information transparency:</b> Conduct in-depth carbon audits, disclose emission reduction targets, progress, and specific actions, establish an environmental data management platform, and monitor and gradually expand the disclosure of key environmental indicators such as carbon emissions and energy use to enhance the timeliness and credibility of information disclosure. <b>Deepen stakeholder engagement:</b> Regularly communicate with stakeholders, showcase corporate sustainability investments and achievements, and promptly inform stakeholders of significant environmental matters. Actively communicate corporate environmental actions through social media to enhance brand environmental image.





Climate Oppotunities

Type of Opportunity	Opportunity Description	Response Initiatives
Resource Efficiency	As consumer awareness of environmental and health issues increases, improving resource efficiency can reduce long-term production costs, minimize the negative environmental impact, and enhance brand image and market competitiveness.	Continuously optimize production processes to reduce resource waste Adopt water-saving technologies to reduce water consumption and wastewater discharge, improving water resource efficiency Implement measures such as process water conservation, water recycling, and packaging material recovery to enhance resource utilization efficiency
Sources of Energy	By adopting low-carbon energy and new technologies, energy costs could be reduced, dependence on fossil fuels could be minimized, and an environmentally friendly brand image would be established.	Increase investment in renewable energy projects such as solar energy projects Invest more in new technologies and energy-saving equipment, such as LED lighting and energy-efficient consumption devices, to reduce energy consumption
Market	In response to growing consumer demand for healthy and environmentally friendly products, launching eco-friendly products can expand market share, enhance brand influence, and open new sales channels.	Explore markets with strong environmental awareness and introduce healthy snack foods that meet customer needs Collaborate with governments and environmental organizations to obtain green certifications and subsidies Utilize digital marketing and social media to promote environmental concepts and enhance interaction between the brand and consumers Explore new sales channels, such as e-commerce platforms and community group buying, to adapt to evolving consumer purchasing behavior
Resilience	By diversifying energy supply and implementing energy-saving measures, the ability to withstand climate change and market fluctuations could be improved, ensuring the stable operation of the supply chain.	Establish a diversified energy supply system, increase the proportion of clean energy use, and reduce dependence on a single energy source Implement supply chain risk management to enhance emergency response capabilities Invest in and strengthen infrastructure construction to improve the disaster resistance of production facilities

Risk Management

Our Group integrates climate risk management into our development planning, comprehensively identifying climate-related risks and opportunities. Based on the identification results, we clarify the overall impact of these risks and opportunities on our long-term development, prioritize them, and build targeted capabilities in monitoring and early warning, emergency response, and long-term adaptation. This ensures the Group's steady progress and the achievement of sustainable development.

Risk Management Mechanism

- Establish a three-tier management framework related to climate risks to ensure effective daily monitoring, assessment, and reporting.
- Integrate climate risks into our overall risk management system.



Countermeasures of Risk

- Develop and implement risk mitigation measures and emergency plans.
- Establish a monitoring system to track climate change indicators and adjust strategies promptly.



Summary of Management Effectiveness

- Regularly evaluate the effectiveness of risk management measures and summarize experiences from the risk management process.
- Optimize risk management strategies and processes based on evaluation and summary results.



Through scenario analysis and a comprehensive assessment of the potential impacts of climate change on our business, we have identified four physical risks: extreme heat, drought, floods, and rising average temperatures, as well as transition risks such as changes in policies and laws, fluctuations in market raw material prices, and reputational risks. These risks could significantly affect our production operations, supply chain stability, and regulatory compliance. Specifically, we have integrated these climate risks into our daily management and developed corresponding strategies to adapt to climate change, and ensure our sustainable development and operational resilience.

In the future, we will continue to strengthen climate risk management to ensure the strict implementation of climate change adaptation and mitigation policies. We have initiated efforts to inventory Scope 3 greenhouse gas emissions to further enhance our understanding of our operational carbon footprint. Based on this, we will gradually establish greenhouse gas reduction targets that align with our long-term strategic development plans and disclose these targets upon completion of the relevant work. Additionally, we will promote industry green transformation by optimizing production processes, product innovation, and managing the supply chain. We will also continue to disclose our progress and achievements in these areas.







## Metrics and Targets

Qualitative targets for addressing climate change by 2024

During the Reporting Period, our Group established multi-dimensional green development targets and achieved them. In the future, we will continue to focus on enhancing environmental management, energy efficiency, and resource utilization, thereby promoting green and low-carbon development, and striving to achieve sustainable development goals.

Targets	Target Description	Progress
Optimize Environmental and Energy Management Systems	Maintain ISO50001 Energy Management System Certification	Achieved
	Implement technological upgrades and equipment improvements to enhance energy and resource efficiency, while increasing the proportion of renewable energy use	
Enhance Corporate Climate Resilience	Integrate climate-adaptive design into plant construction and equipment maintenance, and promptly identifying and addressing potential safety hazards	Achieved
Improve Resource Utilization	Upgrade production technology to reduce raw material waste	Achieved
	Optimize product packaging to reduce the use of plastics and paper	
Emission Compliance	Standardize daily management of waste emissions and noise control to comply with environmental regulations	Achieved
Promote Green Supply Chain Development	Sign agreements and strengthen cooperation with suppliers to increase the recycling of materials	Achieved

In the process of advancing the goals and implementing action initiatives, we conducted a comprehensive analysis of greenhouse gas emissions for 2024 to quantify our environmental performance and continuously optimize emission reduction measures. The GHG emissions of our Group in 2024 is presented in the table below.

GHG emissions in 2024<sup>9</sup>

Indicator	Total Amount/Intensity	Unit
Scope 1 GHG emissions	7,411.07	Tonnes of carbon dioxide equivalent
Scope 2 GHG emissions	145,544.50	Tonnes of carbon dioxide equivalent
Total GHG emissions	152,955.57	Tonnes of carbon dioxide equivalent
GHG emission intensity	24.41	Tonnes of carbon dioxide equivalent per million revenue

<sup>9</sup> The scope of GHG emissions statistics has been updated to include those of our Shanghai office and overseas factory in Indonesia. Due to the expansion of the statistical scope and the increase in production capacity, the emissions of Scope 1, Scope 2 and total GHG emissions increased in 2024. The Scope 1 emissions in this table are calculated based on the low calorific value of energy as stated in the China Energy Statistical Yearbook 2013, the carbon content per unit calorific value of energy, and the fuel carbon oxidation rate outlined in the Provincial Greenhouse Gas Inventory Guidelines (Trial) . The Scope 2 emissions are calculated according to the National Average CO<sub>2</sub> Emission Factor for Electricity of 0.5856 kgCO<sub>2</sub>e/kWh, as specified in the "Announcement on the Release of the Carbon Dioxide Emission Factors of Electricity in 2022".



For Responsibility For Quality For Environment For Employees For Community





## For Employees

## Talent Convergence

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Our Group upholds a people-centric philosophy and provides employees with extensive development platforms. We are committed to fostering an inclusive workplace that supports professional growth. Additionally, we offer comprehensive employee care and benefits while prioritizing occupational health and safety to create a supportive and secure work environment.



# Promoting a Diverse Workplace

We cultivate an inclusive and diverse workplace, ensuring equal rights and career development opportunities for all employees while focusing on talent attraction and retention. Through concrete actions, we demonstrate our respect and care for our employees.

## Employee Rights

We strictly comply with relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, the *Provisions on Medical Treatment Period for Enterprise Employees Suffering from Illness or Non-work-related Injuries*, and the *Special Provisions for the Work Protection of Female Employees*. We establish and enhance internal policies such as the *Deployment Management Policy*, the *Attendance Management Policy*, the *Recruitment Information Release Management Specifications*, and the *Employee Rewards and Disciplinary Management Policy* to build a comprehensive and compliant employment management framework.

The Group strictly prohibits the employment of child labor and forced labor, and forbids the recruitment of employees under the age of 16. We rigorously verify identity information during the onboarding process to ensure all hired employees meet the legal working age requirement. We strictly prohibit any form of coercion or deceit to force any employees to work; any violations will be seriously addressed according to internal policies. During the Reporting Period, no incidents of child labor or forced labor occurred within the Group. We also protect employee rights in accordance with the law, clearly stipulating in the *Attendance Management Policy* that employees are entitled to sick leave, work-related injury leave, annual leave, and other types of leave. Additionally, we provide employees with social insurance as required by law.

We recruit and supplement our talent pool in alignment with business development needs, primarily through online recruitment platforms, complemented by social media, professional headhunting, and university-enterprise partnerships. This multi-channel approach enables us to attract talent at various levels, establishing a diversified recruitment system while contributing to employment opportunities in society.

Furthermore, we have established anti-discrimination provisions in our recruitment process, strictly prohibiting the use of non-work-related factors such as race, gender, or beliefs as hiring restrictions. We explicitly forbid discrimination in the *Recruitment Information Release Management Specifications*, and proactively ensure equal pay for equal work between male and female employees. Through the *Employee Rewards and Disciplinary Management Policy*, we enforce termination of employment for employees who violate candidate or employee rights, or cause serious harm to others.

As of the end of the Reporting Period, we had 7,628 full-time employees and no part-time employees. Detailed workforce data are as follows:

Indicator	2024
<b>Number of employees</b>	
Total employees	7,628
<b>By gender</b>	
Male	3,995
Female	3,633
<b>By age</b>	
30 and below	2,359
31-40	3,504
41-50	1,706
51 and above	59
<b>By region</b>	
Eastern China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian and Shanghai)	726
Southern China (Guangdong, Guangxi and Hainan)	129
Central China (Hubei, Hunan, Henan and Jiangxi)	6,313
Northern China (Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia)	126
Northwestern China (Ningxia, Xinjiang, Qinghai, Shaanxi and Gansu)	73
Southwestern China (Sichuan, Yunnan, Guizhou, Tibet and Chongqing)	127
Northeastern China (Liaoning, Jilin and Heilongjiang)	86
Hong Kong, Macao and Taiwan	2
Overseas (Regions outside Mainland China, Hong Kong, Macau, and Taiwan)	46
<b>By employment type</b>	
Full-time	7,628
Part-time	0

## Talent Retention

Our Group values every employee and their contributions to our Company's development. We are committed to creating a secure and fulfilling workplace environment with the utmost sincerity, supporting our employees in achieving personal growth and pursuing their career aspirations. Therefore, we consider talent retention a crucial component of the Company's sustainable development. In 2024, we focused on the following aspects in this regard.

### Retaining Talent through Culture

Fostering corporate culture and enhancing employee sense of belonging by continuously organizing cultural initiatives such as the Weilong Flavor Culture Co-creation Forums

Regularly assessing and addressing employees' basic needs through periodic employee seminars, implementing corresponding improvements in areas of accommodation, dining, transportation, and daily necessities

Implementing employee family support and birthday celebrations in accordance with the *Manufacturing Plant Employee Care Management Measures*

### Retaining Talent through Care

### Retaining Talent through Professional Development

Establishing clear career development pathways with equal opportunities, while supporting employee growth through comprehensive training programs

Monitoring voluntary turnover trends and maintaining vigilant oversight of attrition metrics through weekly turnover analysis

Conducting proactive exit interviews by HR departments to gain in-depth understanding of employee departure reasons

### Focusing on Resigned Employees



# Supporting Career Growth

As of the end of 2024, the employee turnover rate of our Group was 27.89%. The detailed data are as follows:

Indicator	2024
Employee turnover rate	
Total employee turnover rate	27.89%
By gender	
Male	28.62%
Female	27.06%
By age	
30 and below	39.23%
31-40	23.29%
41-50	17.38%
51 and above	6.35%
By region	
Eastern China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian and Shanghai)	14.99%
Southern China (Guangdong, Guangxi and Hainan)	9.15%
Central China (Hubei, Hunan, Henan and Jiangxi)	30.44%
Northern China (Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia)	11.89%
Northwestern China (Ningxia, Xinjiang, Qinghai, Shaanxi and Gansu)	7.59%
Southwestern China (Sichuan, Yunnan, Guizhou, Tibet and Chongqing)	11.19%
Northeastern China (Liaoning, Jilin and Heilongjiang)	8.51%
Hong Kong, Macao and Taiwan	0.00%
Overseas (Regions outside Mainland China, Hong Kong, Macau, and Taiwan)	0.00%

An outstanding talent team is the driving force behind the Company's sustainable development. Through rich vocational training programs, scientific performance management and promotion systems, and a well-rounded compensation and benefits framework, we create a diverse career development platform, build a continuously growing organization, and support employees in realizing their self-worth.

## Employee Training

Based on the Group's strategic objectives and development needs, combined with employees' career growth requirements, we have established a comprehensive training system. The training content focuses on new employee integration, leadership development for managers, and professional skill enhancement for key talent, empowering employees in their career development.

To help new employees quickly integrate into the organization, we conduct systematic onboarding training. The training revolves around four dimensions: "One Heart for Culture, One Map for Organization, One Network for Policies, and One Flag for Products." Through modules such as corporate culture promotion, organizational structure analysis, policy interpretation, and product knowledge training, new employees gain a comprehensive understanding of the Company's operational mechanisms, facilitating their transition from organizational alignment to value co-creation.



Century-Old Weilong People – new employee introduction training

To enhance managerial effectiveness, we conduct leadership training programs—Qinglong Program and Flying Dragon Program—for managers at different levels. These programs adopt a blended learning approach, combining online micro-learning to solidify theoretical foundations with offline intensive training to strengthen practical skills. We also emphasize applying training to practice, encouraging participants to implement what they have learned in their management work. Senior executives provide coaching and feedback to ensure the effective implementation of training outcomes, continuously improving leadership capabilities and providing strong managerial talent support for organizational development.





Qinglong Program - leadership training

To enhance employees' professional skills, we have implemented multi-level and targeted professional competency training programs tailored to different roles and levels.

#### Sales System

Enhance the professional capabilities of employees at all levels within the sales system by combining theoretical learning with practical reviews, driving the development of the Company's sales business.

- **FUN Training Camp:** Targeted at Sales Support Managers
- **Winning War Training Camp:** Targeted at City Managers
- **Burning War Training Camp:** Targeted at Business Area Directors
- **KA (Key Account) System Training:** Targeted at KA Sales Personnel

#### Production System

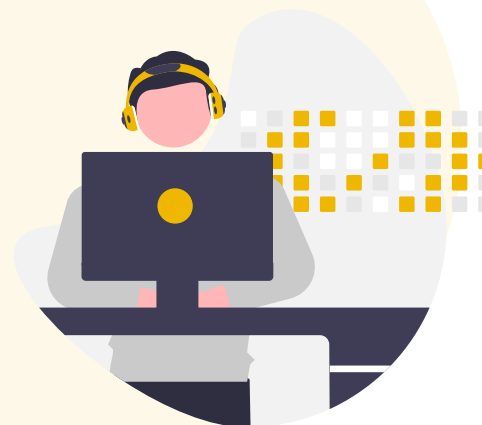
Strengthen the operational skills of production system employees through professional training, such as special operations certification assessments, ensuring the Company's safe production.

- **Special Operations Certification Assessment Training:** Targeted at Special Operations Personnel

#### R&D System

Enhance the project management capabilities of R&D system employees through training programs, boosting the Company's innovation capacity.

- **Project management empowerment consulting and evaluation grading:** Targeted at R&D Personnel



During the Reporting Period, our employee training coverage rate was 100%. The statistics for employee training are as follows.

Indicator	2024
Percentage of employees trained	
Percentage of total employees trained	100%
By gender	
Male	50.24%
Female	49.76%
By position	
Senior management	0.22%
Middle management	5.65%
Entry-level employees	94.13%
Average training hours per employee (in hours)	
Training hours per capita	7.07
By gender	
Male	7.07
Female	7.07
By position	
Senior management	17.41
Middle management	3.05
Entry-level employees	7.29



## Employee Growth

## Performance Management

We firmly believe that a highly professional team is an inexhaustible driving force for ensuring the sustainable development of the Group. Therefore, we actively establish a scientific performance management mechanism, clear promotion pathways, and an attractive compensation and benefits package to fully engage employees, enhance job satisfaction, and promote the mutual growth of the Company and its talent.

In 2024, we comprehensively optimized our performance evaluation system to enhance the standardization and systematization of employee performance management, better aligning with the Company's development needs.

We updated the *Performance Management Policy*, enriching performance evaluation categories while refining key rules such as weight settings, evaluation cycle management, and performance assessments for employees in transitional roles. These updates aim to further improve the standardization and scientific rigor of performance evaluations.

To account for the characteristics of different roles, we established differentiated performance evaluation cycles to ensure alignment with job nature and effectively measure employee outcomes:

### Monthly assessments

Implemented for business roles such as sales, using immediate incentives to encourage sustained excellent performance.

### Quarterly/ Semi-annual assessments

Conducted for R&D roles, aligning performance objectives through quarterly reviews to ensure the achievement of annual targets.

### Annual assessments

Carried out for functional roles, including a company-wide assessment of corporate values to guide employees in embodying and practicing these values.

At the end of each performance evaluation cycle, we require all employees to work with their supervisors to set performance goals for the next phase based on feedback from the previous cycle. During the performance feedback period, supervisors at all levels are required to conduct timely performance discussions and provide feedback on evaluation results. We emphasize that performance evaluations must remain objective and require supervisors to offer targeted improvement suggestions to help employees continuously enhance their work performance and create value for the Company.

Through the update of the *Performance Management Policy* and the implementation of corresponding performance management system optimization initiatives, we have further clarified performance evaluation standards and feedback mechanisms. This helps employees understand their professional competency levels, provides data support for the Company's talent pipeline development, and injects new momentum into the organization's growth.

## Employee Promotion

Our Group strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has established the *Qualification Management System* to continuously provide equal opportunities and clear pathways for employee development.

We have developed three major career development paths: management, professional, and operational. Combining the Company's strategic needs with employees' personal development aspirations, we have refined mechanisms for vertical promotions and horizontal transitions. When employees' professional skills meet the requirements of a certain level, they may apply to switch development paths based on their preferences. We encourage internal talent mobility, support cross-functional development and job transfers, and broaden employees' professional growth opportunities. Additionally, we have introduced a "Talent Internal Incentive Mechanism," which prioritizes internal promotions for entry-level management positions, accelerating employees' career development and enhancing team stability and cohesion.

At the same time, we have established a standardized promotion process and regularly organize employee promotion reviews to recognize outstanding performers and managers who excel in developing their teams. Promotions are closely integrated with salary adjustments. Each year in April and October, we conduct centralized promotions and salary adjustments based on semi-annual and annual performance evaluations. In addition, we address other promotion needs through diverse and flexible approaches, such as internal competitions, acting positions, appointments, and transfers.

## Compensation and Benefits

Our Group is committed to building a market-competitive compensation system aimed at attracting and retaining top talent. We strictly adhere to national regulations such as the *Interim Regulations on Wage Payment* and the *Provisions on Minimum Wage*, continuously optimizing internal management systems and improving compensation incentive mechanisms to support the Company's sustainable development. We legally provide employees with social insurance and housing provident funds and consistently uphold a flexible, ability-based compensation system. Through a comprehensive benefits package and differentiated salary strategies, we aim to attract target talent and inspire employee enthusiasm and creativity.

We adopt a competency-oriented approach to remuneration, paying employees based on a comprehensive evaluation of their abilities, job rank, and performance. The compensation structure includes fixed salaries, performance bonuses, and equity incentives, fully motivating employees to excel in their roles.

Our flexible salary system covers all employees. For frontline workers in the production department, we implement a piece-rate pay system, effectively incentivizing improvements in production efficiency and product quality. For mid-to-senior management and key position employees, we offer restricted stock and other equity incentive plans to foster long-term value co-creation with key talent.

Additionally, we provide two collective salary adjustment windows each year, offering employees opportunities for salary growth. We also actively organize various employee recognition and award programs to encourage continuous growth and development.





# Caring for Employee Well-being

Our Group values the contributions of our employees and places great importance on their genuine feedback, sparing no effort to enhance their health and well-being. We organize a variety of engaging team-building activities and establish democratic feedback channels, striving to ensure that every employee feels a sense of warmth and belonging, akin to being at home, in their workplace.

## Employee Care

We have established internal policies such as the *Union Fund Usage Guidelines*, *Telephone Allowance Management Policy*, and *Transportation Allowance Management Policy* to continuously improve our employee welfare system and effectively safeguard their rights, health, and well-being.

We offer targeted welfare programs tailored to different job levels and roles, ensuring precise implementation of employee benefits:

For all employees	Department team-building funds of RMB 300 per person per year
Special benefits for employees at specific levels:	Housing allowance
	Annual physical examination
	Reimbursement of travel expenses for employees returning home from other locations
	Fuel subsidy
	Telephone expense allowance for business purposes
For frontline employees:	Employee care and consolation funds
For overseas employees:	Additional commercial insurance and expatriate allowances

In 2024, we continued to enhance employee benefits by introducing a smart campus system in employee dormitories, carefully improving the quality of meals in the central kitchen, and further optimizing shuttle bus operations to ensure convenience in employees' daily lives. Mid-year satisfaction surveys on dormitories, catering, and shuttle bus services showed significant improvements compared to 2023.

At the same time, we focused on employees' recreational and cultural lives as well as their physical and mental health, providing funding to support interest-based club activities. During the Reporting Period, we organized events such as fun sports competitions and Programmer's Day celebrations to enrich employees' leisure time and effectively strengthen team cohesion. In 2024, we also launched the New Product Benefits Season for the first time, distributing the Company's quarterly new products to employees, allowing them to directly experience the results of our innovations.



"Embrace Health, Ignite Passion" fun sports competition



New Product Benefits Season

## Employee Communication

Listening to employees' voices is a key initiative to enhance organizational effectiveness, foster employee engagement and creativity, and drive sustainable corporate development. We collect employee feedback through various channels, including questionnaires, interviews, and seminars, carefully implementing reasonable suggestions and addressing employees' concerns. At the same time, we take every employee report seriously, respecting their right to freely express themselves.

We regularly hold employee seminars, inviting employee representatives to share their opinions and suggestions on topics such as company management, work environment, and employee benefits. Factory management is required to carefully consider the feedback, promptly develop improvement plans, and effectively resolve employee concerns, continuously optimizing the employee work experience.



Employee Seminar





# Ensuring Health and Safety

Our Group adheres to the concept of comprehensive health and safety management, continuously optimizing systems and enhancing safety risk control capabilities to unwaveringly create a safe and healthy working environment for employees. Centered on the Group's goal of "zero safety accidents," we have consistently increased investments in workplace safety. Through innovative occupational health and safety education programs and diverse safety activities, we are committed to providing employees with practical and effective safety protections tailored to real-world needs.

## Safety Production

We adhere to the concept of safety-driven development and strictly comply with national laws and regulations, including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Work Safety Law of the People's Republic of China*, the *Provisions on the Administration of Occupational Health at Workplaces*, and the *Safety Regulations for Confined Space Operations in Industrial and Trade Enterprises*.

This year, we revised the *Safety Management System for Relevant Parties* and the *Hazardous Operations Safety Management System*. By integrating various hazardous operations management requirements, we achieved unified management and optimized internal approval processes to improve management efficiency. Additionally, we clarified the safety management procedures for relevant parties and updated safety management requirements for confined space operations. These efforts aim to enhance the safety and standardization of hazardous operations, ensuring comprehensive workplace safety for employees.

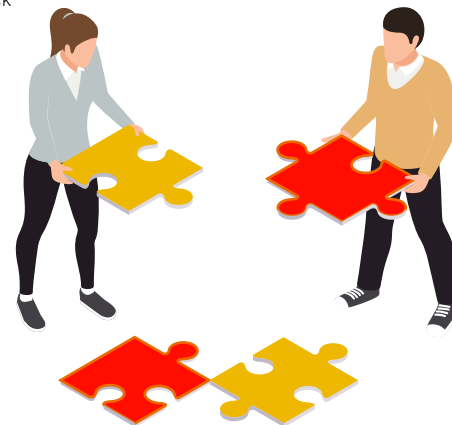
During the Reporting Period, our Group lost 5,926 working days due to work-related injuries. From 2022 to 2024, there were no work-related fatalities<sup>10</sup>, maintaining a work-related mortality rate of zero.

## Safety Management System

During the Reporting Period, we established a comprehensive safety incident reporting mechanism that covers all employees. This mechanism requires management at all levels to learn root cause analysis methods during the incident management process, handle incidents appropriately, and develop targeted countermeasures and improvement plans.

Additionally, we conducted Job Safety Analysis (JSA) for production operations in workshops, covering four key scenarios: pre-operation, during operation, abnormal handling, and shutdown/cleaning. We systematically reviewed operational steps and assessed associated risks, implementing engineering controls, management measures, and Personal Protective Equipment (PPE) to ensure operational risks remain under control.

We have also continued to upgrade personal protective equipment by providing employees with work shoes featuring enhanced anti-slip and anti-crush performance. For maintenance roles, we standardized the replacement of work shoes with insulated footwear to effectively reduce the risk of electric shock. Furthermore, we launched a safety behavior observation initiative, developing observation plans based on medium- and high-risk management measures. This initiative comprehensively reviews employees' adherence to safe operating practices, ensuring production safety is effectively safeguarded.



## Safety Culture Promotion

Our Group places great emphasis on fostering employees' safety awareness. Through diverse work safety practice activities, we comprehensively enhance employees' safety consciousness and risk prevention capabilities, focusing on safeguarding the safety of employees' lives and property.

<sup>10</sup> The statistical scope for work-related fatalities refers to the number of fatal accidents that occur to employees of our Group during their work due to hazardous situations.

### Safety Education and Training

Case

We continuously conduct three-tier and monthly safety training sessions. These sessions cover diverse topics such as job-specific risks, accident case studies, and the "Five Prohibitions and Five Musts" equipment regulations. Through these initiatives, we systematically enhance employees' safety awareness and professional skills, ensuring the effective transfer of safety knowledge and the continuous improvement of risk prevention capabilities.



Safety training sessions

### Fire Drills

Case

We organize quarterly fire emergency drills and hands-on training sessions on the use of firefighting equipment. These practical exercises comprehensively improve employees' fire safety awareness and emergency response capabilities, ensuring that every employee is equipped with essential fire prevention and evacuation skills.



Firefighting equipment training sessions

### Work Safety Knowledge Competition

Case

We have introduced innovative approaches to safety training by hosting both online and offline safety knowledge competitions. These activities have sparked employees' enthusiasm for learning, with 2,623 employees participating and a total of 3,410 tests completed. By adopting a fun and engaging format, we effectively promote safety culture and significantly enhance employees' awareness of work safety.



Work safety knowledge competition





## For Community Social Responsibility

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Our Group regards the fulfillment of social responsibility as a crucial foundation for long-term corporate development and continuously allocates resources to actively practice social responsibility. By actively participating in and supporting community public welfare initiatives in areas such as rural industry development, disaster relief, and poverty alleviation, we strive to create lasting positive impacts on communities and contribute to building a more harmonious and prosperous society.





# Demonstrating Responsibility

Our Group is committed to integrating social responsibility into its corporate culture and daily operations, actively giving back to society through concrete actions. We actively participate in various public welfare activities and charitable projects, helping those in need and demonstrating our corporate sense of responsibility.

During the Reporting Period, the Group's cumulative investment in social welfare amounted to 2.02 million yuan. Our positive contributions to the community have also been highly recognized by government and social organizations. This year, WL Delicious Food was awarded the "Caring Enterprise Award" by the Zhengzhou Pingjiang Chamber of Commerce, the "Red Cross Humanitarian Award" by the Luohe Red Cross, and the "Silver Caring Enterprise Award" by the Pingjiang County People's Government for its efforts in aiding the needy and supporting the community.



Zhengzhou Pingjiang Chamber of Commerce "Caring Enterprise Award"



Luohe Red Cross "Red Cross Caring Award"



People's Government of Pingjiang County "Silver Caring Enterprise" in the Great Love Pingjiang Assistance Program

# Contributing to Community Welfare

Our Group takes practical actions to fulfill its social responsibilities, regarding giving back to society as the purpose of community involvement. We contribute to public welfare projects and promote rural revitalization, setting an example for corporate social responsibility.

## Rural Revitalization

We actively respond to the national "Rural Revitalization" strategy and have been promoting the local procurement of chili pepper raw materials for many years, effectively promoting the development of the chili pepper planting industry in Luohe and surrounding areas. During the Reporting Period, our Group organized fundraising activities in response to government calls, providing strong support for rural construction.



### "Luohe Rural Revitalization and Yushan Walk Together" and "Charity Day Donation" Fundraising Event

Case

In June 2024, the Group responded to the call of the Luohe Development Zone government and successfully organized the "Luohe Rural Revitalization and Yushan Walk Together" and "Charity Day Donation" fundraising event. The event lasted for 7 days and aimed to support projects in rural industries, infrastructure, environmental improvement, poverty alleviation, and smart elderly care. The fundraising activity provided economic support for local rural development and effectively enhanced the corporate identity and social responsibility of our employees.







## Charity Pioneer

On the path of fulfilling corporate social responsibility, our Group conveys warmth and hope through concrete actions. We consistently invest funds and resources in areas such as educational support and disaster relief, providing care and warmth to vulnerable groups. This demonstrates our firm commitment to promptly responding to social needs, and showcases the exemplary role of advanced enterprises in aiding the public.

### Assistance for Impoverished College Students

Case

In September 2024, responding to the call of the Development Zone government, we donated 30,000 yuan in scholarships to 10 impoverished college freshmen. Through these actions, we conveyed our support for education and our concern for socially vulnerable groups, encouraging students to bravely pursue their dreams and aiding their academic development, thereby enhancing the reputation of the Weilong brand.

### Flood Relief Donations

Case

On July 3, 2024, in response to the floods in Pingjiang, Hunan, we actively supported the flood relief initiative. In collaboration with the Pingjiang County Da'ai Pingjiang Charity Foundation, we donated 1.5 million yuan in cash and 500 boxes of Braised eggs worth 270,000 yuan in time. The donations were promptly used for purchasing disinfectants and daily necessities, as well as for house reconstruction and relief funds, providing substantial assistance to the affected population.



### Donations to Foundations and Associations

Case

In March 2024, we donated 160,000 yuan to the Da'ai Pingjiang Charity Foundation to improve the construction of the water supply network in Wukou Town, Pingjiang County. This effectively resolved local villagers' water usage issues, protected their health, and enhanced their quality of life.

In October 2024, we donated 60,000 yuan to the Luohe City Acts of Bravery Association to encourage acts of bravery, actively maintain social fairness, justice, and good order, and promote positive social energy.

## Empowering Communities

Our Group actively utilizes its resources and strengths to give back to society through diverse community initiatives, collaborating with various sectors to promote community welfare and charitable causes. We participate in voluntary blood donation drives, support local cultural events, and enhance animal welfare, continuously strengthening our social impact and contributing to the sustainable development of communities.

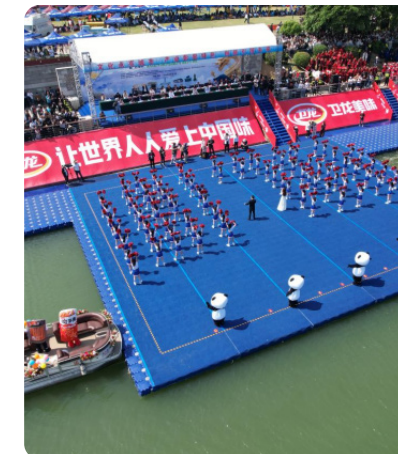
### Voluntary Blood Donation Activity

In February 2024, responding to the initiative of the Development Zone government, we organized internal volunteers to participate in a voluntary blood donation drive in Luohe City. This initiative provided critical life support for patients in urgent need of blood, ensuring a stable supply of medical blood. Additionally, the activity enhanced employees' sense of social responsibility, encouraging more people to engage in public welfare and contribute to society.



### "Weilong Cup" 2024 Luohe Dragon Boat Open

In May 2024, Weilong, as the exclusive title sponsor, actively participated in the 12th Henan Province Chinese Xuanyuan Dragon Boat Race and the "Weilong Cup" 2024 Luohe Dragon Boat Open held at the confluence of the Shali River. This investment injected new vitality into the cultural tourism development of Luohe City, showcasing our support for local cultural activities and its contribution to the cultural tourism industry.



### Support the Environmental Enrichment for Giant Panda

In February 2024, we provided new furniture for the adopted giant pandas "Ba Xiaobao" and "Dao Xiaobei," improving their living environment, and hosted their birthday celebration in June 2024. Building on this, we shall continue to fulfill our commitment to ecological conservation.





# The Stock Exchange of Hong Kong ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Chapter
A. Environmental			
Aspect A1: Emissions	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 non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	For Environment: Ecosystem Protection-Emissions Management
	A1.1	The types of emissions and respective emissions data.	For Environment: Ecosystem Protection-Emissions Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) .	For Environment: Ecosystem Protection-Addressing Climate Change
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) .	For Environment: Ecosystem Protection-Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) .	For Environment: Ecosystem Protection-Emissions Management
	A1.5	Description of emission target (s) set and steps taken to achieve them.	For Environment: Ecosystem Protection-Environmental Management
	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.	For Environment: Ecosystem Protection-Emissions Management
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	For Environment: Ecosystem Protection-Energy Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas, or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) .	For Environment: Ecosystem Protection-Energy Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility) .	For Environment: Ecosystem Protection-Resource Usage
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	For Environment: Ecosystem Protection-Energy Management
	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.	For Environment: Ecosystem Protection-Resource Usage
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	For Environment: Ecosystem Protection-Resource Usage

Subject Areas, Aspects, General Disclosures and KPIs			Chapter
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	For Environment: Ecosystem Protection-Environmental Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	For Environment: Ecosystem Protection-Environmental Management & Emissions Management
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	For Environment: Ecosystem Protection-Addressing 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.	For Environment: Ecosystem Protection-Addressing Climate Change
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	For Employees: Talent Convergence-Promoting a Diverse Workplace
	B1.1	Total workforce by gender, employment type (for example, full- or part-time) , age group and geographical region.	For Employees: Talent Convergence-Promoting a Diverse Workplace
	B1.2	Employee turnover rate by gender, age group and geographical region.	For Employees: Talent Convergence-Promoting a Diverse Workplace
Aspect B2: Health and Safety	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.	For Employees: Talent Convergence-Ensuring Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	For Employees: Talent Convergence-Ensuring Health and Safety
	B2.2	Lost days due to work injury.	For Employees: Talent Convergence-Ensuring Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	For Employees: Talent Convergence-Ensuring Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	For Employees: Talent Convergence-Supporting Career Growth
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management) .	For Employees: Talent Convergence-Supporting Career Growth
	B3.2	The average training hours completed per employee by gender and employee category.	For Employees: Talent Convergence-Supporting Career Growth
Aspect B4: Labor Standards	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 labor.	For Employees: Talent Convergence-Promoting a Diverse Workplace
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	For Employees: Talent Convergence-Promoting a Diverse Workplace
	B4.2	Description of steps taken to eliminate such practices when discovered.	For Employees: Talent Convergence-Promoting a Diverse Workplace



Subject Areas, Aspects, General Disclosures and KPIs			Chapter
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	For Quality: Innovation for Health-Industry Partner Management
	B5.1	Number of suppliers by geographical region.	For Quality: Innovation for Health-Industry Partner Management
	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.	For Quality: Innovation for Health-Industry Partner Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	For Quality: Innovation for Health-Industry Partner Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	For Quality: Innovation for Health-Industry Partner Management
Aspect B6: Product Responsibility	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 mattersrelating to products and services provided and methods of redress.	For Quality: Innovation for Health-Reliable Food Safety Assurance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	For Quality: Innovation for Health-Reliable Food Safety Assurance
	B6.2	Number of products and service related complaints received and how they are dealt with.	For Quality: Innovation for Health-Reliable Food Safety Assurance
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	For Quality: Innovation for Health-Collaborating for Health and Innovation
	B6.4	Description of quality assurance process and recall procedures.	For Quality: Innovation for Health-Reliable Food Safety Assurance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	For Quality: Innovation for Health-Reliable Food Safety Assurance
Aspect B7: Anti-corruption	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.	For Responsibility: Robust Governance-Corporate Governance
	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.	For Responsibility: Robust Governance-Corporate Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	For Responsibility: Robust Governance-Corporate Governance
	B7.3	Description of anti-corruption training provided to directors and staff.	For Responsibility: Robust Governance-Corporate Governance
Community			
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	For Community: Social Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) .	For Community: Social Responsibility-Contributing to Community Welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	For Community: Social Responsibility-Demonstrating Responsibility







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