十月稻田

Shiyue Daotian Group Co., Ltd.

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

Stock Code: 9676

2024 Environmental, Social and Governance Report

Contents

About This Report 04

Board Statement 06

Message from Our Chairman 08

About Us 10

ESG Strategy and Management 16

01 Integrity and Pragmatism Driving High-Quality Development

1.1 Improving Governance Structure 23

1.2 Risk and Compliance Management 24

1.3 Integrity and Business Ethics 26

1.4 Building Harmonious Partnerships 28

02 Committing to Excellence in Creating High-Quality Food

2.1 Product Safety and Quality 33

2.2 Nutrition and Health Opportunities 36

2.3 Quality Customer Service 38

2.4 Stimulating Innovation and Vitality 39

03 Green and Low-Carbon Pathway to a Sustainable Future

3.1 Addressing Climate Change 43

3.2 Practicing Green Operations 44

3.3 Protecting the Ecological Environment 49

04 People-Centered Growth with Employees

4.1 Respecting and Protecting Rights and Interests 51

4.2 Employee Health and Safety 55

4.3 Training and Career Development 57

4.4 Compensation and Welfare Assurance 59

05 Taking Responsibilities for a Better Future

5.1 Promoting Rural Revitalization 61

5.2 Contributing to Social Welfare Initiatives 62

Appendix

Content Index of the HKEX ESG Reporting Code 64

Reader Feedback Form 71

About This Report

This Report is the 2024 Environmental, Social and Governance (ESG) Report issued by Shiyue Daotian Group Co., Ltd. (hereinafter referred to as "Shiyue Daotian", the "Company", the "Group" or "We"). It outlines the Company's efforts in 2024 to promote environmental protection, fulfill social responsibilities, and enhance corporate governance, in response to the expectations and concerns of stakeholders.

Reporting Period

This report covers the period from January 1 to December 31, 2024, and certain content may extend beyond the above timeframe.

Organizational Scope

The report encompasses Shiyue Daotian and its subsidiaries.

Preparation Criteria

This report is compiled in accordance with the Environmental, Social and Governance Reporting Code issued by the Hong Kong Stock Exchange(hereinafter referred to as "HKEX").

Reporting Principles

In line with the HKEX ESG Reporting Code, this report adheres to the principles of materiality, quantitative, balance, and consistency:

- Materiality: Key ESG topics are identified through stakeholders engagement and disclosed herein;
- Quantitative: The ESG performance of the Company is objectively assessed using quantitative data;
- Balance: The report presents a fair and objective view of the Company's ESG management;
- Consistency: Consistent methodologies and metrics are employed in the report's preparation.

Data and Currency Unit

The data presented in this report are sourced from our official documents, statistical reports, and the aggregated data of our subsidiaries. Financial information in this report is extracted from the 2024 Annual Financial Report. Monetary values in this report are expressed in Renminbi (RMB), except where explicitly stated otherwise.

Language Versions

This report is available in Simplified Chinese, Traditional Chinese and English. In case of inconsistent understanding of the contents, please refer to the simplified Chinese version of the report.

Report Access

This report is published in electronic format and can be accessed on the Company's website (https://www.shiyuedaotian.com) and the HKEX news website (http://www.hkexnews.hk).

Board Statement

The Board of Directors of the Company makes the following statement in accordance with the requirements of the *Environmental, Social and Governance Reporting Code of HKEX*:

The Board of Directors of Shiyue Daotian hereby commits that the Company and its Board comply with the requirements of the *Corporate Governance Code* and the *Environmental, Social and Governance Reporting Code* issued by HKEX. The Company continues to enhance its ESG governance system, strengthening the Board's oversight and involvement in ESG affairs, and proactively integrating ESG into its development strategy, major decision-making, and daily operations.

As the highest governing body for ESG at the Company, the Board assumes ultimate responsibility for ESG matters, including formulating the ESG development strategy and other major policies. The Board also reviews and oversees the Company's commitments and performance in key areas such as product safety and quality, green agriculture, social value, and corporate governance, along with the annual ESG report issued by the Company.

Shiyue Daotian attaches great importance to the development of its ESG management system and capabilities. The Company continues to integrate ESG considerations into its business operations and value chain. Based on actual management practices and stakeholder concerns, the Company has set specific environmental targets for key business segments and regularly monitors the progress in achieving these targets to ensure the realization of its overall ESG goals.

Message from Our Chairman

In 2024, the international economic landscape remained complex and volatile, with global economic transformations enhancing growth and scientific innovations evolving rapidly. Domestically, China is at a pivotal stage of transformation, balancing progress with stability, continually guiding domestic enterprises in technological innovation and green transformation.

As a leading and fast-growing innovator in pantry foods for Chinese household, Shiyue Daotian upholds the principle of sustainable development. Guided by our core values of "Customer First, Solidarity & Teamwork, Good faith & Professionalism, Pioneering & Innovation," we integrate our ESG strategy with business growth. We remain committed to deepening our focus on ESG governance, product responsibility, green development, employee growth, and rural revitalization. Collaborating with all stakeholders, we are advancing comprehensive sustainable development and striving to build a valuable and influential food brand in China.

Strengthening ESG governance to lay a robust foundation for high-quality development.

We are committed to building a modern corporate governance framework characterized by clear roles and responsibilities, synergy, efficiency, and effective checks and balances. Through ongoing improvements in the Board of Directors' structure, we ensure rigorous decision-making and decisive actions. Through steadfast governance practices, the Company aims to enhance industry standing, build comprehensive capabilities, and drive progress in operational efficiency and governance excellence, injecting new momentum into the enterprise's long-term development.

Honoring our quality commitment to safeguard the safety and health of the food we consume.

We remain steadfast in our mission to "Provide Chinese Consumers with Healthy, High-quality, and Safe Pantry Foods." Adhering to world-class food safety and quality standards, we ensure excellence across the entire production process–from sourcing ingredients to refining manufacturing practices. By focusing on product innovation, digital operations, and intelligent marketing, we strive to meet the increasingly diverse needs of consumers, establishing a fully integrated innovation ecosystem. Simultaneously, we are committed to protecting customers' legitimate rights and interests, practicing responsible marketing, addressing customer concerns at the source, and strengthening privacy and data security management. In all aspects, we work to create the best possible customer experience.

Championing green and low-carbon practices to foster harmony between humankind and nature.

We are dedicated to protecting the environment by focusing on "dual carbon" targets. Actively embracing green development principles and incorporating "carbon peak and carbon neutrality" into our strategic framework, we are prepared to face climate change challenges head-on. In our operations, we strive for efficient energy use, emission reduction, and optimization of packaging materials. By balancing economic growth with environmental preservation, we are advancing the green transformation of both our enterprise and society, contributing to a brighter, more sustainable future.

Empowering employee growth to build a people-centered corporate culture.

We foster a people-centered culture by respecting and protecting employees' rights and interests, establishing a fair and equitable employment management system. Providing a well-structured training framework and clear advancement opportunities, we aim to unlock our employees' potential across multiple dimensions. Prioritizing the physical and mental well-being of our workforce, we create a healthy and dynamic workplace environment that nurtures productivity and a sense of belonging. Working alongside our employees, we strive to achieve mutual success for both the Company and its workforce.

Contributing to common prosperity and embarking on a new chapter in rural revitalization.

Aligning our enterprise development with national strategies, we actively respond to the national rural revitalization initiative. Focusing on agricultural and rural modernization, we take practical steps to drive the development of responsible supply chains, create rural employment, and promote local industrial growth, contributing to the realization of common prosperity. As a responsible corporate citizen, we embrace our social responsibilities, care for vulnerable groups, and organize various volunteer activities to make lasting contributions to building a better society.

With unwavering dedication and continuous progress, Shiyue Daotian remains focused on the future, ready to seize every opportunity for growth. Driven by a steadfast determination and pragmatic actions, we are committed to advancing our ESG principles. Together with partners from all sectors, we will push forward to create a prosperous, dynamic, and sustainable future for all.

Shiyue Daotian Group Co., Ltd.

Wang Bing
Chairman

About Us

Shiyue Daotian is a leading and rapidly growing company in China, specializing in pantry foods. We are dedicated to offering a wide range of high-quality, healthy food options for consumers. By continuously understanding and adapting to the evolving needs of our customers, and establishing a multi-channel sales network, Shiyue Daotian has successfully developed a series of popular and well-loved brands that have become household names across China.

Our Products

Shiyue Daotian strives to become the preferred brand for consumers in China. Driven by our mission to "Provide Chinese Consumers with Healthy, High-quality, and Safe Pantry Foods," we are committed to offering a diverse array of products that cater to the needs of Chinese households, enabling consumers to enjoy modern, high-quality food and share delicious meals with their families.

Shiyue Daotian has developed a differentiated brand portfolio, continuously expanding its product categories to meet the diverse dietary needs of consumers, the preferences of different sales channels, and emerging marketing trends. While consolidating the brand recognition and steady growth of its core rice business, the Company has also strategically targeted the corn category, rapidly establishing a growth trajectory for corn products and breaking the traditional market pattern of having "categories without brands" in the corn sector. With an accurate understanding of customer demands, a highly efficient full-supply chain operation model, a forward-looking strategy for sourcing high-quality grains, and a wide-reaching multi-channel sales network, Shiyue Daotian has gained the trust of many customers. For five consecutive years, we have led the national sales of northeast rice [1] ,the corn product category [2] ,and served 130 million household users across China [3] .

Multi-Category Layout | Building a product portfolio with four core categories: rice, corn, whole grain, bean and other products, as well as dried food and other products

（1）Data source: Frost & Sullivan, based on research on the Northeast Rice industry in China; calculated based on the sales volume (tons) of pre-packaged Northeast Rice products in retail channels in Mainland China from 2019 to 2023; Northeast Rice is defined as japonica rice produced in the production area of Northeast China; the survey was completed in May 2024.

（2）Data source: Frost & Sullivan, based on research on the corn industry in China; calculated based on the sales volume (tons) of corn categories in retail channels in Mainland China from January 2023 to March 2024; corn categories refer to edible corn, mainly including corn cobs, corn segments, corn kernels and corn derivatives, etc.; the survey was completed in May 2024.

（3）Data source: Frost & Sullivan, based on research on the pantry staple food industry in China; calculated based on the total number of household users served by all sales channels in Mainland China as of April 2024; the survey was completed in May 2024.

Multi-Drand Layout | Developing three key brands: "Shiyue Daotian", "Firewood Courtyard" and "Sunshine Family"

十月稻田 SHI YUEDAOTIAN

柴火大院

福享人家 FUXIANG RENJIA

Our Strategies

01

Enrich our multi-brand portfolio and enhance our brand awareness to solidify our leading position

02

Broaden and deepen our multichannel network to enlarge our consumer base with high operational efficiency

03

Expand multi-category product offerings to achieve sustainable growth

04

Strengthen our “from farm to table” supply chain management capabilities to build integrated operation barriers

05

Keep optimizing digitalized operation system, investing in talent pool and fostering cohesive corporate culture

Our Culture

Vision

Build a Valuable and Influential Food Brand in China

Mission

Provide Chinese Consumers with Healthy High-quality, and Safe Pantry Foods

Value

Customer First, Solidarity & Teamwork
Good faith & Professionalism
Pioneering & Innovation

History of Development

2024
We obtained the certification of "National Leading Sales Volume of Corn Category" "National Leading Sales Volume of Northeast Rice for Five Consecutive Years," and "Omni-Channel Service to 130 Million Household Users in China" by Frost & Sullivan.

2022
We were recognized by the Hurun Research Institute as one of the “Hurun China Food Industry Top 100”.
We completed the strategic layout of five major production bases in Xinmin (Shenyang), Wuchang (Harbin), Tonghe (Harbin), Songyuan (Jilin Province) and Aohan Banner (Chifeng).

2016
We expanded our product range to include whole grain and bean, in addition to rice.

2018
We introduced the brand of “Sunshine Family” (福享人家) providing Chinese families with value-for-money rice products.

2013
We expanded our e-commerce presence through a partnership with Tmall.

2023
We completed Series C Financing. On October 12 Shiyue Daotian was officially listed on the HKEX with the stock code 9676.HK.

2005
Our founders entered the pantry staple food industry initiating grain trading operations.

2021
We launched a modernized production base in Xinmin, Shenyang.

2015
Our modernized production base in Wuchang commenced operations, offering products such as Wuchang rice.

2017
We extended our product lines to include dried food products, catering to diverse consumer dietary needs.

2011
We launched the brands of “Shiyue Daotian”（十月稻田）and “Firewood Courtyard”（柴火大院）. We began collaborating with JD.com to sell products throughe-commerce platforms.

Awards and Honors

Award/Honor	Year	Awarding Organization
Top 50 in the New Star List of the Brand Value List of Chinese Listed Companies	2024	National Business Daily
Top 100 Catering Supply Chain Enterprises in 2024	2024	Hongcan Research Institute
Annual Innovation Award	2024	Guru Club
Model of ESG-Driven Rural Revitalization by Enterprises	2024	Xinhuanet
ESG Cases in the Food and Beverage Industry of 2024	2024	The Cover
Outstanding Corporate Case for "Annual Public Welfare Responsibility Practices"	2024	The Paper
Case of Supply Chain Layout in the Food Industry	2024	BJNEWS
Influential Brands of the Year	2023	Food Industry Headlines

Award/Honor	Year	Awarding Organization
Global Unicorn Index 2023	2023	Hurun Research Institute
Hurun China Food Industry Top 100	2022	Hurun Research Institute
New Force Brand	2022	Tmall Supermarket
A Hundred Million Club - Super Brand of 2022	2022	Tmall Supermarket
Best Partner	2022	JD Supermarket
Excellent Partner	2022	Meituan Instashopping
National Key Leading Enterprise in Agricultural Industrialization	2021	The Ministry of Agriculture and Rural Affairs of the People's Republic of China and the National Development and Reform Commission
Top 500 Agricultural Enterprises in China	2021	Farmers' Daily

ESG Strategy and Management

We place great importance on sustainable development and social responsibility, aligning with new development concepts at this new stage of growth. As a leading agricultural enterprise in China, we have consistently focused on green agriculture, rural revitalization, technology empowerment, and employee development. We are committed to conducting various business practices responsibly, continuously improving ESG governance, enhancing ESG systems, and integrating ESG into the business development process and daily operations. Our goal is to build a valuable and influential food brand in China.

ESG Management

We are aware of the potential impact that ESG factors and climate change may have on the Group's business. Understanding the environmental and social responsibilities the Company must assume, we continue to fully integrate ESG principles into our strategy and daily operations. A three-level ESG governance structure, consisting of the "decision-making level, management level, and executive level," has been established to clarify the roles and responsibilities of the Board of Directors, management, and executive teams in ESG matters. We have also built an ESG execution system, involving all functional departments, business units, and factories, to promote the implementation of the ESG strategy from top to bottom.

Decision-Making Level

As the highest governing body of ESG, the Board of Directors is responsible for coordinating and formulating the Company's sustainable development strategy, target framework, and major policies.

Management Level

The management has established an ESG leadership group, composed of the Company's General Manager and the heads of key departments and factories. The ESG leadership group is responsible for formulating the Company's ESG strategy, determining the ESG evaluation framework and indicator system, and deciding on the contents and steps of ESG improvements. They also supervise the implementation of these initiatives.

Executive Level

To effectively coordinate ESG-related affairs, an ESG working group has been established, consisting of heads from various functional departments, business units, and relevant departments in each factory. This group is responsible for researching both international and domestic ESG policies and standards, formulating the Company's ESG evaluation framework and indicator system, conducting ongoing ESG management diagnostics, and providing recommendations for improvements to the management. It also ensures that all departments and factories implement the Company's ESG performance objectives.

To establish a comprehensive ESG policy and institutional framework, we have developed the *Environmental, Social, and Corporate Governance Management System*, which standardizes the practical aspects of ESG practices. We have also formulated key policies on critical issues such as food safety and product quality, integrity and business ethics, as well as information security and privacy protection, in order to systematically implement ESG practices.

ESG Focus Areas

Focus Areas	Action Points
Adherence to Quality	● Strict quality control: Ensuring that products from procurement, production, storage, and sales meet food safety and quality standards, continuously offering high-quality, healthy, and fresh products to consumers. ● Accelerating product innovation: Developing nutritionally balanced products to meet consumers' growing demand for healthy food.
Freshness Guarantee	● Full value chain management: Maximizing the natural flavor and aroma of products through a full-chain business model, ensuring customers receive fresh and delicious food.
Rural Revitalization	● Agricultural value chain development: Creating more job opportunities, providing agricultural technology training to local farmers, and improving their skills and income levels. ● Modern agriculture promotion: Optimizing the modern agricultural industrial system, promoting agricultural transformation and upgrading, actively advancing ecological agriculture, and encouraging sustainable economic and social development.
Talent Training	● Training system construction: Establishing a comprehensive training system, providing diversified training courses, and enhancing employees' technical skills and overall performance. ● Improving the incentive mechanism: Using a talent-oriented incentive mechanism to achieve the joint sustainable development of the Company and its employees.

Stakeholder Communication

Stakeholder communication is a critical element of the ESG management strategy. Based on comprehensive internal and external analysis, we have identified six key stakeholders: shareholders and investors, government and regulators, customers, employees, suppliers and partners, and the community. In every aspect of our daily operations, we actively enhance communication and interactions with stakeholders, establishing a range of diverse communication channels to thoroughly listen to their feedback and concerns. We actively address stakeholder issues, improve communication effectiveness, and build harmonious and stable relationships with our stakeholders.

Stakeholders	Issues of Concern	Communication Channels
Shareholders and Investors	• Economic performance • Corporate governance • Compliance operations • Risk management • ESG performance	• General meetings • Investor research and communication meetings • Regular communication and feedback
Government and Regulators	• Compliance • Climate risk • Supporting for local development • Protection of customer rights	• Policy research and implementation • Regular reporting and approvals • Research and discussion sessions • Regular information disclosure
Customers	• Product quality and safety • Innovation in products and services • Protection of customer rights • Enhancement of customer experience	• Official website, WeChat, and other interactive platforms • Consumer satisfaction surveys • Customer complaint hotline • Product promotion and services • Regular communication
Employees	• Protection of employee rights • Employee health and safety • Career development	• Employee interviews • Performance discussions • Suggestions and complaints mechanisms • Employee care
Suppliers and Partners	• Responsible supply chain management • Product quality and safety • Stakeholder engagement	• Procurement and tendering processes • Supplier visits • Communication meetings • Regular interaction
Community	• Serving society and people's livelihood • Supporting rural revitalization • Give back to the local community • Contributing to social welfare	• Charitable donations • Supporting rural revitalization initiatives • Community project construction • Volunteer activities

Materiality Analysis

We integrate the concept of responsibility into our development strategy and business operations. In accordance with the new ESG reporting guidelines from the HKEX, as well as insights gained from stakeholder communication regarding their concerns, we also take into account the nature of our business when identifying, evaluating, and screening key issues. This process enables us to identify material topics that are important to both the Company and stakeholders, which we then disclose and address in this report.

01

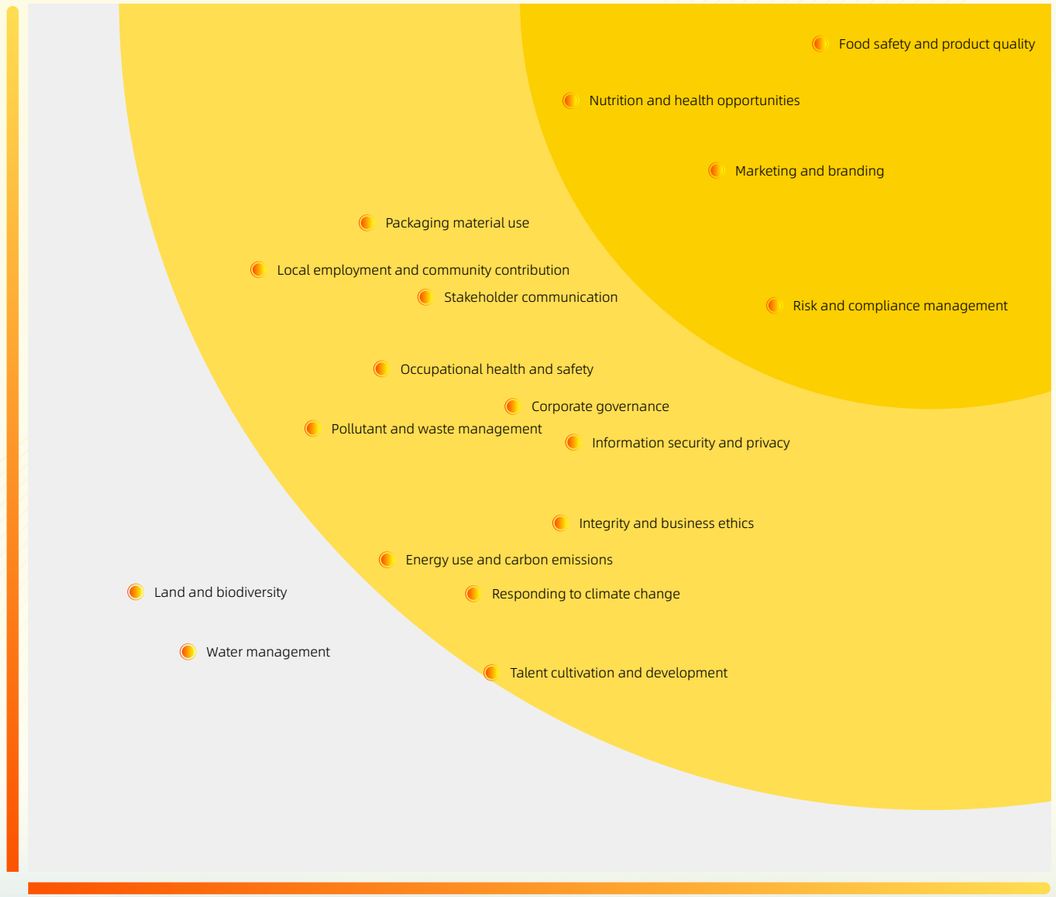
Referring to standards and guidelines such as the HKEX *ESG Reporting Code* and the *Sustainability Accounting Standards Board (SASB) Standards*, we considered relevant requirements for ESG management and information disclosure. Taking into account macro policies and industry trends, we identified 17 ESG priority issues.

02

We evaluated the ESG issues based on their impact on stakeholders and their influence on Shiyue Daotian, clarifying the level of importance of each issue.

03

Using a two-dimensional matrix based on the evaluation of importance, we categorized ESG issues into three priority levels: highly important, important, and routine.



No.	Issue	Category	No.	Issue	Category
1	Corporate governance	Governance	10	Talent cultivation and development	Social
2	Integrity and business ethics	Governance	11	Local employment and community contribution	Social
3	Risk and compliance management	Governance	12	Energy use and carbon emissions	Environmental
4	Stakeholder communication	Governance	13	Water management	Environmental
5	Information security and privacy	Governance	14	Packaging material use	Environmental
6	Marketing and branding	Social	15	Pollutant and waste management	Environmental
7	Food safety and product quality	Social	16	Responding to climate change	Environmental
8	Nutrition and health opportunities	Social	17	Land and biodiversity	Environmental
9	Occupational health and safety	Social			

01

Integrity and Pragmatism Driving High-Quality Development

Good corporate governance is the foundation for maintaining stable operations and protecting the rights and interests of stakeholders. Shiyue Daotian continues to advance the development of a governance mechanism characterized by clear roles and responsibilities, effective collaboration, and robust checks and balances. The Company remains committed to optimizing the structure of the Board of Directors through a diverse and professional approach, while enhancing the strength of the Board team. By strictly adhering to relevant laws and regulations, the Company leverages sound governance to elevate its position within the industry, improve its comprehensive strength, quality, efficiency, and governance standards, and fuel its high-quality and sustainable development.

Improving Governance Structure

Risk and Compliance Management

Integrity and Business Ethics

Building Harmonious Partnerships

1.1 Improving Governance Structure

A well-structured governance framework is essential for maximizing governance effectiveness. Shiyue Daotian has established a top-down governance model known as the "Three Boards and One Level" structure, consisting of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and senior management. This structure promotes coordination across all levels to ensure the standardization and effectiveness of corporate governance. The Board of Directors and the Board of Supervisors fulfill their respective functions, while the Shareholders' Meeting plays a critical role in supervision and decision-making. This collaborative approach continuously enhances governance efficiency, safeguards the rights of all shareholders, and strengthens the foundation for the Company's steady growth.

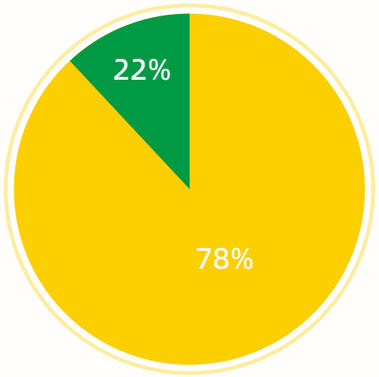
Board Composition and Operation

Our Board of Directors consists of nine members, selected in strict accordance with relevant laws, regulations, and the *Articles of Association*. The roles and responsibilities of the Board are clearly defined, and all directors are dedicated to carrying out their duties with thoroughness, accountability, and integrity. The procedures for convening and conducting Board meetings comply with the provisions of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure for the Board of Directors*.

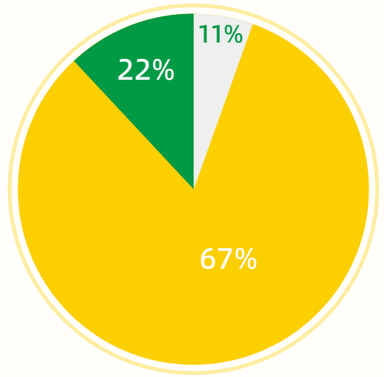
Board Diversity

We place great emphasis on the diversity of the Board in terms of gender, age, cultural and educational background, and professional expertise. The Company has developed and adheres to a *Board Member Diversity Policy*. Board members come from a range of backgrounds in management and strategic development, finance, accounting, and risk management, which brings a variety of perspectives to corporate governance and business decision-making. As of the end of 2024, two female directors serve on the Board, representing 22.2% of the total Board membership.

Board Composition(By Gender)



Board Composition(By Age Group)



Board Independence

The composition of the Board of Directors includes a balanced mix of executive, non-executive, and independent non-executive directors, with independent non-executive directors accounting for one-third of the total. Our independent non-executive directors bring deep, specialized expertise in their respective fields and consistently maintain professionalism and impartiality. They actively provide objective and reliable advice to support the Board's decision-making process.

1.2 Risk and Compliance Management

Risk management is essential for Shiyue Daotian to maintain operational stability and enhance its resilience. We rigorously regulate our operational practices, continuously enhance our risk management systems and capabilities, and improve the effectiveness of our risk management processes. Additionally, we focus on fostering a strong risk awareness among employees and building a robust risk control culture, which strengthens the Company's ability to manage various risks and ensures its long-term sustainable growth.

Risk Management

We have developed a comprehensive risk management framework, with the Audit Committee under the Board of Directors primarily responsible for reviewing and evaluating significant risk management issues and their effectiveness. This includes the evaluation of risk management systems and guidelines, the allocation of risk management responsibilities across departments, and the auditing and supervision of risk-related activities. Each business and functional department plays an active role in managing risks and implementing specific risk mitigation measures.

Building on a solid institutional foundation, we have established a thorough and effective risk control process. We actively conduct risk identification and assessment, which allows us to formulate and refine response strategies for various risks, including strategic, operational, financial, and compliance risks. These efforts ensure the effective implementation of risk management policies and corporate governance measures.

Internal Control

On the basis of the existing internal control framework, we continuously enhance our internal control policies, systems, and standardized processes to ensure comprehensive coverage of all business activities. This system is followed by the Board of Directors, management, and all employees. In 2024, we launched an internal publication titled "Monthly Internal Control Talks", aiming to promote knowledge on risk management, internal control, and compliance across the Company. This initiative fosters the development of a strong internal control culture, increasing employees' awareness of risk and internal control responsibilities.

ESG Risks and Opportunities

Adopting a forward-thinking approach, Shiyue Daotian proactively identifies, analyzes, and assesses potential ESG-related risks. Throughout this process, detailed reports are regularly submitted to the Board of Directors and the ESG leadership group, ensuring ample discussion. In response to identified risks, we swiftly implement effective strategies, strengthening business resilience, enhancing market competitiveness, and ensuring the Company's steady progress toward long-term sustainable development goals.

Risk Factors	Potential Impacts	Countermeasures
Climate Change	Climatic conditions significantly impact our operations and supply chain. Extreme weather events, such as rainstorms and extreme cold, can result in crop yield reductions and warehouse damage, causing economic losses and rising operational costs. However, over the long term, climate change may increase thermal energy resources in Northeast China, creating favorable conditions for crop growth.	• Arranging production bases scientifically based on agroclimatic conditions. • Strengthening monitoring and early warning of extreme weather and formulating and updating disaster emergency plans in a timely manner.
Food Safety	Food safety incidents can lead to penalties from regulatory authorities and resistance from the market. Maintaining consistent quality and food safety records helps build consumer trust and strengthens our competitive advantage within the industry.	• Strictly controlling the procurement quality of raw materials and packaging materials, adhering to high standards for food safety and quality. • Actively pursuing food safety system certification, performing thorough pre-market testing, and conducting regular sampling inspections.
Occupational Health	Occupational health risks, such as dust and noise, exist in the production process. Improving working conditions, enhancing employees' protection awareness, and ensuring standardized operations can effectively prevent occupational hazards, preserving a strong health record.	• Enhancing employee occupational health protection through hierarchical management, hazard identification, and safety training. • Regularly carrying out occupational hazard assessments conducting daily monitoring, providing labor protection facilities, and organizing annual employee health checks.
Human Resources	Labor shortages and substantial increases in employee costs may negatively impact the Company's long-term operations. Effective talent retention and incentive strategies help establish a strong employer brand, ensuring a stable and sufficient talent pool.	• Regularly conducting talent inventories, refining the selection and development pathways for management talent, and fostering rapid growth of excellent talent. • Strengthening recruitment efforts to attract top graduates. • Optimizing employee compensation systems, career advancement channels, and enhancing the training system.
Information Security	The widespread use of information technology systems in raw material supply, production, operations, and logistics makes the Company vulnerable to operational disruptions and reputational damage in the event of failures or data breaches.	• Enhancing information security emergency management measures to prevent vulnerabilities. • Implementing systematic measures for network, host and terminal security. • Raising employee awareness of information security.

1.3 Integrity and Business Ethics

Shiyue Daotian strictly complies with applicable laws, regulations, and standards, and continually issues internal guidelines on business ethics. The Company closely monitors non-compliant behaviors, including fraud, and fosters a culture of risk and compliance within the Group. At the same time, we place great emphasis on ensuring compliance throughout the entire production and sales process. In business transactions, we consistently uphold business ethics, conducting our activities based on the principles of fairness, transparency, integrity, and adherence to legal regulations.

Integrity and Anti-Corruption

We are committed to fostering a fair, just, and transparent business environment and are resolute in combating non-compliance, including bribery. A robust supervisory and governance mechanism has been established to ensure the transparent, coordinated operation of power, with effective channels for supervision and complaints. We prioritize anti-bribery and anti-fraud compliance, conducting regular internal compliance audits and checks while enforcing strict internal accountability measures. Additionally, we have instituted several internal codes of business ethics, clearly defining "red lines" of conduct, and continuously improving the reporting system. This ensures open channels for reporting, timely handling of issues, and protection of whistleblowers. Regular compliance training is conducted for both employees and senior management. In 2024, anti-corruption training covered 149 individuals, and post-training agreements on anti-corruption and integrity were signed. Senior management's participation reached 100%.

Employee Code of Conduct

In 2024, we established the Anti-Fraud Implementation Measures to clearly define fraudulent activities within the Group, standardize reporting processes, and establish penalties and corrective measures for fraud. Simultaneously, a broad compliance awareness campaign was launched, including two anti-fraud training sessions across the Group. Reporting posters were displayed in Beijing and at five industry parks, holiday integrity posters were distributed, and reporting channels and reward mechanisms were clearly communicated, offering employees clear guidance on complying with laws and regulations.

In 2024, 18 legal compliance training sessions were held, covering 426 employees. These sessions significantly improved employees' legal literacy and compliance awareness, reducing the risk of non-compliance within the Company.

Ensure Effective Reporting Channels

We provide customers, employees, suppliers, and other stakeholders with channels for complaints and reports. Relevant agreements, standard documents, and promotional materials specify contact details such as reporting mailboxes and phone numbers. Upon receiving a report, our internal audit team promptly reviews it and assigns a dedicated person for follow-up. We have also implemented robust whistleblower protection measures to ensure the confidentiality of the information provided by informants and safeguard them from any retaliation.

Reporting email: jiandu@shiyuedaotian.com

Mailing address for reporting:
Shiyue Daotian Audit Department, Building A,
Yisha Wenxin Plaza, Chaoyang District, Beijing

Reporting hotline:
133 0121 1448
400-0188-975

Intellectual Property Protection

We respect intellectual property rights and strictly adhere to the *Trademark Law of the People's Republic of China*, the *Implementation Regulations for the Trademark Law of the People's Republic of China* , the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* , and other relevant laws and regulations. The Company has established an *Intellectual Property Management System* to ensure the avoidance of infringement across all operational and production processes. We support genuine intellectual property and are committed to protecting the legitimate intellectual property rights of all parties.

Maintaining Group Copyright	• Online: Actively combating online intellectual property infringements. In 2024, we submitted 525 complaints about intellectual property violations on various e-commerce platforms, achieving a success rate of approximately 94.7%. • Offline: In 2024, we initiated legal action for three cases of packaging/trademark infringement. Additionally, we collaborated with external intellectual property agencies to monitor trademarks regularly and swiftly implemented defense and enforcement measures against similar trademarks.
Adhering to Legalization	• Font copyright legalization: Committed to using only genuine resources in our operations. In 2024, the Company secured permanent authorization for the Zihun Font Library and a one-year license for six fonts from Makefont. • Refining copyright guidelines: Updating the scope of use for purchased fonts and image libraries and publicly announcing these updates.
Strengthening Copyright Review	• Strict review of public publications: Preventing the use of improper terms and violations, protecting the Company's brand image. In 2024, a total of 1,820 videos were reviewed. • Employee training: Conducting training on the correct and standardized use of fonts, images, vocal materials, and other creative assets for design teams, photography teams, and the IP production teams.

1.4 Building Harmonious Partnerships

Building harmonious partnerships is a crucial pillar for the Company's steady growth. Shiyue Daotian adheres to sustainable procurement principles, prioritizing environmentally responsible suppliers that meet high social responsibility standards. This ensures that our supply chain remains green and sustainable from the source. Through strengthening supplier management, we have established long-term, stable cooperative mechanisms, sharing information, risks, and growth with our suppliers. Additionally, we actively support industrial collaboration, integrating resources across all parties to promote technological innovation and industry upgrades. By working together with our partners along the supply chain, we strive to create a mutually beneficial, win-win business ecosystem, thereby enhancing overall competitiveness and jointly addressing market challenges.

Practicing Sustainable Procurement

Since our establishment, we have been committed to building and maintaining stable relationships with raw material suppliers in our core bases. We also foster friendly cooperation with rural cooperatives, professional agricultural product suppliers, and individual farmers, ensuring a sustainable supply of high-quality raw materials and providing stable income opportunities for local farmers.

Localized Procurement

In line with the principles of voluntariness, equality, and mutual benefit, we have signed framework procurement agreements or one-time contracts with local suppliers for raw materials such as rice and other grains. These agreements clearly define quality standards, pricing mechanisms, and liability clauses for breach of contract. We follow a market-based raw material purchasing price system, ensuring the protection of the interests of local suppliers and farmers. Additionally, we have established clear payment terms with local suppliers, ensuring timely payment after reconciliation to safeguard their interests.

In 2024, we focused on developing local suppliers, introduced new suppliers, and encouraged raw material manufacturers to prioritize using local RCPP (base film for cooking) manufacturers, ensuring that orders were placed with local suppliers.

Case **Shiyue Daotian Participates in Tonghe County's 2024 Science and Technology Training "Hundred Days Action"Kick-off Meeting & High-Quality Rice Order Promotion Conference**

In January 2024, Tonghe County held the kick-off meeting for the 2024 "Hundred Days Action" scientific and technological training program and the high-quality rice order promotion conference. The meeting emphasized the importance of building a skilled farmer workforce through the "Hundred Days Action" initiative. All towns and departments are encouraged to prioritize agricultural science and technology, ensuring that farmers use the best techniques to grow the highest quality crops. The implementation of the "Three-Leader" system should be advanced with a higher political commitment, ensuring the proper protection and optimal use of limited resources such as cultivated land, water, and forestry. The agricultural department plays a vital role by organizing agricultural experts to provide face-to-face guidance and training to growers, imparting planting techniques, and continuously improving the contract farming model to ensure stable and high yields.

During the meeting, the head of the County Agricultural Machinery Promotion Center presented the winter science and technology training plan and the branding of Tonghe rice. Training on the Field Leader, Forest Leader, and River and Lake Leader systems was also conducted. The conference invited large-scale farmers and the president of the Wuchang Rice Association to discuss high-quality cultivation techniques for Qijing 10 rice. Additionally, the person in charge of Tonghe Caiqiao Rice Industry introduced the contract farming policy and signed contracts with potential farmers on-site.

High-quality rice order promotion conference

Responsible Procurement

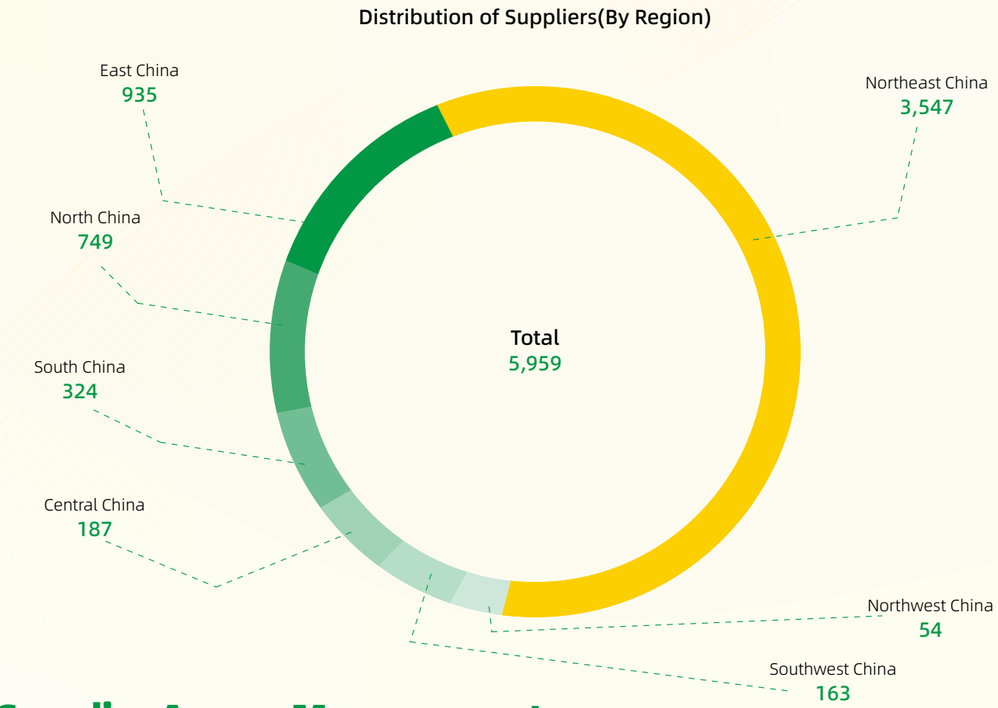
We are committed to responsible procurement practices, strengthening supplier management, and continuously promoting the development of a responsible supply chain. We extend sustainable development requirements to both upstream and downstream supply chains. We have established a *Supplier Code of Conduct* and integrated key elements such as quality standards, plate-making standards, packaging, transportation requirements, quality assurance certificates, and integrity agreements into our procurement contracts.

Labor Management	Shiyue Daotian signs social responsibility agreements with suppliers, requiring adherence to fundamental principles including non-discrimination, no child labor, and no forced labor.
Environmental Management	We prioritize suppliers that hold VOC certification and ISO 14001:2015 certification, encourage the use of environmentally friendly products and services, and integrate environmental protection criteria into our supplier evaluation processes.
Anti-Corruption	We sign integrity agreements with suppliers, distribute anti-corruption posters to them, and require them to promote awareness of anti-corruption practices. Additionally, we send notices to suppliers at critical points during the process.

To ensure the quality of raw materials, we organize various training sessions and exchanges with raw material suppliers. These activities include convening training sessions for suppliers, inviting them to Beijing for negotiations, and requiring suppliers to present corrective action plans. We also hold monthly quality meetings to address and resolve any issues.

System certification of some suppliers

Deepening Supplier Management



Supplier Access Management

We place a high priority on supplier access management and have established the *Supplier Audit System* applicable to all supplier audits. This system clearly defines the audit process for suppliers, including pre-audit, access audit, patrol inspection audit, annual audit, and special approval. We regularly audit suppliers to ensure their products meet safety standards and regulatory requirements. The frequency of quality audits is determined by factors such as material risk level, supplier on-site risk level, quality performance, and material importance, with audits taking place monthly, semi-annually, or annually. During factory inspections, we comprehensively check suppliers' qualifications, scale, equipment, and environment. If the raw materials or products provided by a supplier do not meet national or our internal standards or policies, we reserve the right to terminate the cooperation. If quality issues arise due to a supplier's supply, they will be held accountable for compensation.

For logistics suppliers, we implement a stringent access review system, requiring suppliers to provide essential information and qualifications to ensure their capacity for adequate vehicle transportation. Additionally, we evaluate logistics suppliers on a monthly basis. If any irregularities or misconduct are detected, we will take appropriate action, either by terminating cooperation or removing them from the supplier pool.

Standardizing the Tendering and Procurement Process

To ensure "fairness, impartiality, openness, and integrity" in our tendering and procurement processes, and to better align with our strategic goals, we have optimized the tendering management system. The Tendering Committee is fully responsible for overseeing and making decisions related to the Group's tendering and procurement activities, while the tendering working group handles the detailed organization and execution of tendering projects.

We uphold the three key tendering principles	
Qualification Examination	All bidders must undergo pre-qualification, and only those who meet the project requirements will be allowed to participate in the tendering process.
Transparency and Fairness	Full transparency must be maintained throughout the entire tendering process. Departments must enhance communication and collaboration, facilitate information sharing, and ensure the elimination of any black-box operations.
Confidentiality	All tendering documents, bid evaluations, and award decisions must remain confidential to uphold the fairness and effectiveness of the tendering process.

Supplier Performance Evaluation and Hierarchical Management

We have implemented systems for managing packaging material suppliers, conducting monthly performance evaluations to reinforce quality management, raise suppliers' awareness of quality, and improve the quality of supplied goods. The system outlines detailed requirements for suppliers in terms of qualifications, orders, production, delivery, invoicing, quality, and warehousing. In cases of quality issues, the Quality Control Department will classify the issues, deduct points from the respective suppliers, and address batch-related problems according to the severity of the issue. These issues will be reflected in the monthly supplier performance assessment and scoring, which is used for supplier evaluations at the end of the year.

We have also developed a management system for raw grain suppliers, clarifying the supplier evaluation and hierarchical management processes. We perform monthly performance appraisals to improve supplier management and enhance material quality. Personnel from the Purchasing Department of Beijing Company and the Quality Control Department conduct evaluations by recording and collecting the necessary data in accordance with the specified guidelines. Evaluations of suppliers are based on the actual situation, ensuring that suppliers comply with safety, environmental protection, and business ethics management requirements, while tracking the progress of relevant measures. The evaluation criteria are designed to be comprehensive and multidimensional, covering various aspects such as quality, economic factors, supply, support, and service.

Strengthening Industry Cooperation

We continue to deepen our multi-channel ecosystem by establishing an extensive and diversified multi-channel sales network that encompasses both online and offline channels. We maintain strong partnerships with several leading comprehensive e-commerce platforms, while also enhancing our product and service reach through our integrated offline operational capabilities. By utilizing these various channels, we are able to gain real-time insights into customer experiences and evolving preferences.

Online Channels	
E-commerce Platforms	We primarily sell our products through e-commerce platforms, which then distribute them directly to customers. We have established cooperative relationships with major e-commerce platforms such as JD and Tmall, as well as community-based group-buying platforms.
Online Self-Operated Stores	We operate self-managed stores through third-party e-commerce platforms to sell products directly to customers. By directly engaging with customers, we are able to gather valuable feedback on products and obtain timely and accurate customer insights, which in turn allow us to refine both our products and sales strategies.

Offline Channels	
Modern Supermarket Channels	Drawing on our experience in managing online sales networks, comprehensive service capabilities, efficient supply chain management, and strong brand recognition, we have built an extensive sales network within modern supermarket channels.
Distribution Network	We collaborate with distributors to increase product accessibility and reach a broader customer base.

02

Committing to Excellence in Creating High-Quality Food

As one of China's leading producers in pantry foods, Shiyue Daotian has always stayed true to its mission of "Provide Chinese Consumers with Healthy, High-quality, and Safe Pantry Foods." Leveraging the unique natural conditions of Northeast China and our innovative production and processing technologies, we rigorously monitor product safety and quality. We actively participate in various authoritative product quality certifications, ensuring consumers can buy and enjoy our products with peace of mind. In an era where food safety and nutrition are under intense scrutiny, Shiyue Daotian remains committed to upholding high standards of quality and continuously introducing premium, healthy products.

Product Safety and Quality

Nutrition and Health Opportunities

Quality Customer Service

Stimulating Innovation and Vitality

2.1 Product Safety and Quality

We strictly adhere to the *Food Safety Law of the People's Republic of China*, the *Implementation Regulations for the Food Safety Law of the People's Republic of China* , and other relevant laws and regulations. We have established a comprehensive, high-standard food safety and product quality control system, covering procurement, production, storage, sales, and after-sales services. This ensures the safety and quality of our products at every stage and guarantees consumers' "safety on the tip of the tongue."

Quality Management Process

We have assembled a dedicated quality control team responsible for overseeing product quality throughout the entire process–from raw material procurement to final sales. This ensures that raw materials are reliable, and that production and transportation comply with safety and health regulations, preventing any quality issues during distribution.

At each of our major production bases, we have set up independent quality inspection departments. We have also implemented a quality inspection management system and inspection process standards. These help ensure the strict control of the quality of processed products according to the standard specifications for incoming inspection, process inspection, and product inspection. We regularly conduct quality inspections on raw materials, packaging, and in-process products, keeping detailed records of the inspection processes and results, and performing data analysis to continuously improve our quality management system.

In 2024, we further optimized our quality control team. To improve efficiency, we merged the approval process for packaging design requirements and labeling details with the review process for product detail pages. Additionally, we introduced more review stages in the approval process for packaging and labeling, involving raw material procurement, factory production managers, and factory quality inspection managers. These adjustments ensured that issues related to marketing and product quality were promptly communicated to the responsible parties, thereby enhancing overall control.

Whole-Process Quality Monitoring

The Company has established a comprehensive, systematic quality monitoring system that covers procurement, production, transportation, and sales, with clear guidelines at every stage to ensure effective quality control. Moreover, our production processes strictly follow the relevant laws, regulations, and national and industry standards governing food production and sales in China. These include, but are not limited to, ISO 9001 quality management system certification, HACCP system certification, and FSSC 22000 food safety management system certification.

Procurement Process	To ensure food safety and the quality of supplied materials, we have implemented a robust system for supplier access, withdrawal, and annual capability evaluations. This system enables us to carefully select and develop suppliers, while removing those who fail to meet required standards. Materials are purchased only from approved suppliers, who must provide food safety compliance certificates, delivery inspection reports, and third-party type inspection reports. We only accept raw materials and packaging materials that meet both national standards and our procurement requirements. If any raw materials or packaging materials fail to meet the relevant standards outlined in the purchase agreement, we will terminate the agreement and seek compensation for any resulting losses. In 2024, we enhanced the quality inspection process for incoming goods, revising acceptance standards and recording and analyzing inspection data. Additionally, the Company imposed penalties on certain suppliers in accordance with the inspection system and required them to replenish the goods.

Production Process

In the production process, we assess all incoming materials, verifying each supplier's food safety compliance certificate, delivery inspection report, and type inspection report, followed by batch-based factory inspections. We have set internal control standards that exceed national requirements, ensuring that the production process strictly adheres to these standards, with ex-factory inspections conducted. Every year, we send our products to third-party inspection agencies for testing according to the applicable standards.

We require all personnel involved in production activities to comply with stringent hygiene standards. Before entering the production area, they must change into work clothes, including hats and footwear, and undergo thorough body cleaning. Furthermore, all equipment and machines are used and maintained in strict accordance with their functions and designated cleaning and disinfection protocols. We ensure that no detail that could affect product quality is overlooked.

Product Quality Inspection

Our quality control team is responsible for managing product quality throughout the entire process–from storage to delivery and sales–by monitoring quality at each stage. We have established dedicated quality inspection departments in all major production bases and implemented a comprehensive quality management system with standardized inspection processes. Following detailed specifications for incoming inspection, process inspection, and product inspection, we rigorously control the quality of finished products. Regular inspections are conducted on finished products, semi-finished products, by-products, and purchased packaging materials. Inspection records and results are meticulously documented, and data analysis is conducted to continually improve our quality management system.

Additionally, in the product testing phase, we strictly enforce control procedures for chemicals used, standardizing their purchase, acceptance, storage, and labeling to ensure safe usage.

Storage and Transportation Process

In the warehousing and transportation stages, we carefully control access to designated areas, perform thorough inspections of product appearances during loading and unloading, and reject any products with packaging logos or tapes that have been tampered with. Vehicle conditions are also checked before loading.

Sales and After-Sales Services

We have established a process for collecting product quality feedback and information from all sales channels, storage, and transportation stages. This information is then analyzed statistically to assess food safety risks and identify opportunities for quality improvement. This allows us to continuously enhance product quality and mitigate food safety risks. Additionally, we conduct random sampling inspections of products sold on the market to track their quality throughout their lifecycle, identifying potential risks and ensuring that product quality remains stable. Through our after-sales service mechanism, we maintain open and timely communication with customers, ensuring that any detected product quality issues or risks are promptly addressed through problem confirmation, internal investigations, and risk control. We also actively cooperate with market regulatory authorities and partners to conduct product sampling inspections, helping safeguard consumers' "safety on the tip of their tongues."

We have also established a *Product Withdrawal/Recall Control Procedure*. Should any products with quality or food safety issues be found in the market, we will promptly initiate the relevant withdrawal/recall procedures and manage the disposal of defective products in a standardized manner. In 2024, no product recalls were made due to safety or health concerns.

Our production bases

Professional Certifications Obtained by Shenyang Xinchang Factory

Professional Certifications Obtained by Wuchang Caiqiao Factory

Professional Certifications Obtained by Aohan Banner Factory

Professional Certifications Obtained by Songyuan Factory

Professional Certifications Obtained by Tonghe Caiqiao Factory

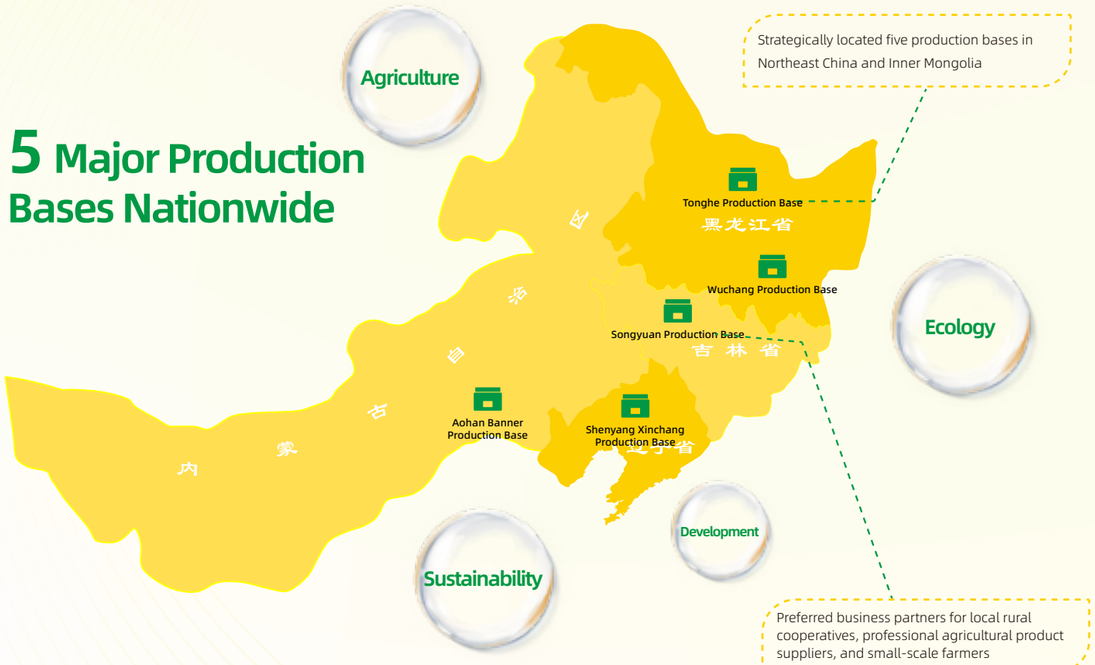
Professional certifications obtained by each factory (partial list)

2.2 Nutrition and Health Opportunities

We actively follow the growing trend for healthy and nutritious food, while embracing our corporate responsibility. With a focus on consumer health needs, we continue to develop green, organic, and healthy food products, constantly enhancing their health benefits. To ensure clear and accurate product labeling, we strictly comply with the *Management Specification for Food Nutrition Labels*, displaying key information such as protein and carbohydrate content on the packaging of various products. This ensures that consumers can easily understand the nutritional composition of the products. Additionally, we are committed to transparency and have proactively sought third-party nutrition certifications to further strengthen the disclosure of nutrition-related information. In 2024, our organic germ rice and Wuchang rice were awarded nutrition inspection certificates by professional third-party institutions, further affirming the authoritative recognition of our product quality.

Regarding the construction of our product supply chain, we have strategically sourced high-quality raw materials from Northeast China, one of the world's three major black soil agricultural regions, ensuring the top-tier quality of our inputs. To preserve freshness, we have established five production bases around the core producing areas of rice, corn, whole grain, and bean in Northeast China and Inner Mongolia. These sites, equipped with highly standardized and automated production processes, allow for the timely procurement of fresh raw materials after the harvest season, followed by efficient storage and production. This setup enables us to achieve an efficient and flexible supply chain management system.

5 Major Production Bases Nationwide



By the end of 2024, we had set up five self-operated regional central warehouses in Shanghai, Tianjin, Chengdu, Shenyang, and Dongguan, supported by numerous third-party turnover warehouses. This modern warehouse and distribution network ensures a reliable product supply, enabling us to deliver high-quality products to customers' tables in the shortest time possible.

In the processing stage, we employ advanced grain storage technologies. Upon receiving bulk orders, we promptly initiate efficient processing and screening procedures, employing vacuum packaging to preserve the nutritional integrity of the products. Furthermore, we offer a wide variety of coarse cereals and bean, including brown rice mixed cereals, millet, and red bean. These products help consumers integrate proteins, dietary fiber, and other vital nutrients into their daily meals, supporting their pursuit of a healthy diet.

Diversified product categories of Shiyue Daotian

Case Shiyue Daotian Accurately Understands Consumer Demand and Leads the Healthy Dietary Trend

With the improvement in residents' quality of life and consumption levels, there has been a shift in dietary preferences. Increasingly, consumers are choosing low-fat, high-fiber primary food options, which are gradually becoming key supplements and alternatives to traditional core grains. Shiyue Daotian has astutely identified this consumer shift and introduced fresh sweet potatoes and corn-based products. Our team of nutritionists has also been educating the public on the nutritional benefits of low-fat corn and fresh golden potatoes, promoting the concept of a balanced diet. In addition, Shiyue Daotian actively shares grain-related knowledge on media platforms, advocating for a scientific diet and the optimal blending of different grains. We are committed to improving public health and contributing to the fulfillment of consumers' desire for a healthier diet.

Recommended by the Nutritionist Team

Shiyue Daotian Corn: A Great Choice for Coarse Grain Meals, Your Perfect Dining Companion

Coarse Grains
Meticulous Care
Healthy and Low-Fat

Fat provides high energy
In daily diets, the energy provided by fat should not exceed **30%** of total energy intake*

*Source: *GB 28050-2011 National Food Safety Standard General Rules for Nutrition Labeling of Prepackaged Foods**

2.3 Quality Customer Service

Shiyue Daotian places significant emphasis on safeguarding the legitimate rights and interests of our customers. We adhere strictly to relevant laws and regulations such as the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *E-commerce Law of the People's Republic of China*, and the *Advertisement Law of the People's Republic of China*.In terms of advertising and marketing materials, we have established a strict, standardized review process to ensure that no false or misleading information is presented, thereby protecting the intellectual property rights of consumers, as well as other related stakeholders and institutions. At the same time, Shiyue Daotian actively collects customer feedback and diligently handles complaints. If any products are found to be substandard, they are promptly recalled, and appropriate compensation is provided. Furthermore, we continually enhance our information encryption technologies to ensure comprehensive protection of customer privacy and data security.

Responsible Marketing

In its marketing endeavors, Shiyue Daotian places utmost importance on compliance, authenticity, and accuracy, adopting a pragmatic approach to product introduction and promotion. To address customer concerns, the Company provides comprehensive and detailed disclosures, supplementing them with test reports from independent third-party institutions to enhance product trustworthiness and foster customer loyalty.

Shiyue Daotian strictly adheres to relevant laws and regulations, including the *Advertisement Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests* , and the *Food Safety Law of the People's Republic of China*. In product labeling, the Company complies with the *Food Safety Law of the People's Republic of China*, the *Implementation Regulations for the Food Safety Law of the People's Republic of China*, and the *National Food Safety Standard - General Standard for the Labeling of Prepackaged Foods* (GB7718-2011), safeguarding customers' rights to know, choose, supervise, and complain. Transactions are conducted based on the principles of voluntariness, fairness, and honesty, guiding customers toward reasonable consumption and eliminating misleading or deceptive marketing practices.

To ensure the legality and compliance of marketing activities, Shiyue Daotian has established stringent approval processes for product packaging design, product detail reviews, and advertising compliance, all of which are effectively implemented. The Company also enforces comprehensive product quality control audits and sampling mechanisms to promptly identify and rectify potential issues. Continuous optimization of approval procedures and updates to guidelines aim to enhance efficiency and effectiveness.

Recognizing the importance of employee training, Shiyue Daotian regularly organizes sessions on advertising laws and product compliance, using practical case analyses to deepen understanding and enhance responsibility awareness. This ensures that all marketing activities operate within a legal framework, fostering a culture of responsible marketing.

Customer Service and Feedback

Placing a high priority on market feedback and consumer input, Shiyue Daotian proactively listens to customer needs and opinions. To facilitate communication, the Company offers diverse channels such as a 400 hotline, dedicated after-sales line, online instant messaging, and online after-sales support, ensuring timely and comprehensive understanding of consumer suggestions and requirements.

Shiyue Daotian continually refines pre-sales, in-sales, and after-sales processes, maintaining a professional customer service team committed to prompt responses and continuous service quality improvement, aiming to provide every consumer with a satisfactory experience.

To standardize the handling of customer feedback and ensure timely and effective processing of consumer information, the Company has established the *Customer Complaint Management System*. In accordance with this system, we regularly summarize customer complaints, review handling processes, and update related requirements. This approach has led to the development of a practical, efficient, and unified complaint management framework, with clearly defined departmental responsibilities. Major types of complaints are meticulously categorized, accompanied by professional handling suggestions, ensuring swift resolution of customer issues and enhancement of consumer satisfaction. In 2024, Shiyue Daotian proactively addressed consumer complaints, receiving a total of 655 complaints related to products and services[4] . All complaints were handled promptly and improvements were made, achieving a 100% complaint resolution rate with all cases responded to and closed.

Notes:(4)The statistics are based on complaints submitted by consumers to the industrial and commercial administration

Information and Privacy Protection

Shiyue Daotian places significant emphasis on information and network security, strictly complying with the *Cybersecurity Law of the People's Republic of China* , *Information Security Technology-Personal Information Security Specification*, and other relevant laws. The Company has formulated guidelines for information security management, standardizing processes to ensure the safety of information during usage, transfer, and storage.

Shiyue Daotian's *Information Security Management Measures* clearly stipulate that all employees must actively participate in information security efforts. The organizational structure and responsibilities related to information security are clearly defined. The Company's General Manager personally appoints the person responsible for information security and has established an information security management organization composed of the Management Committee, Control Committee, and Executive Working Group. This structure spans from top management to department heads, forming a robust management network. Furthermore, the Information Security Management Measures provide detailed guidelines for workflows and responsibilities, ensuring that all departments can carry out information security tasks in a systematic, organized, and efficient manner.

In 2024, Shiyue Daotian further strengthened the construction of its information and privacy security systems. The Company adopted MD5 encryption technology to safeguard customer information and improved the customer exit process to ensure complete data removal, protecting the rights and interests of customers. In response to data risks such as breaches and storage device damage, we proactively implemented data disaster recovery mechanisms and established permissions and logging functions for data access and storage. We also place a high priority on employee training regarding data privacy protection. In 2024, we held two company-wide training sessions on information security, involving over 50 participants across all departments. Additionally, we conduct regular drills to test and improve our security plans, ensuring at least one information security drill per year. Emergency knowledge on network security incidents is included in training for management and relevant personnel to continuously improve information security awareness and skills.

In 2024, Shiyue Daotian did not face any penalties or lawsuits resulting from breaches of customer privacy.

2.4 Stimulating Innovation and Vitality

Shiyue Daotian has consistently regarded innovation as the core driver of its business growth, pushing for continuous development. By leveraging product innovation, digital operations, and intelligent marketing, we are building a comprehensive innovation ecosystem that boosts the Company's internal vitality, enhances market competitiveness, and creates higher value for consumers while contributing to sustainable social development.

Breaking Category Boundary and Leading New Health Consumption Trends

Shiyue Daotian adopts "stability with innovation" as its guiding principle, continuously expanding its product range. The Company has extended from traditional rice categories to the diversified field of healthy pantry foods such as corn, and is actively promoting the transformation of traditional staples into convenient, snackable fast-moving consumer goods (FMCG). By accurately understanding consumers' needs for convenient and healthy food options, Shiyue Daotian has developed eight major product categories, including corn cobs, corn segments, corn kernels, and popcorn kernels, to cover diverse usage scenarios like cooking, meal replacements, and snacks.

Through continuous investment in supply chain capabilities, the Company has established a solid foundation for product innovation. With an investment of hundreds of millions of yuan, the Company has developed modern cold storage facilities, advanced processing equipment, and an integrated infrastructure spanning the entire industrial chain. This investment ensures the efficient transition of corn from harvesting and processing to warehousing, preserving the product's fresh flavor to the maximum extent. It fully meets the core demands of key consumer groups for "convenience, quality, and freshness."

In 2024, Shiyue Daotian's corn category exceeded RMB 800 million in sales across all platforms. By implementing a comprehensive online and offline marketing strategy, the brand achieved daily exposure in the tens of millions, successfully establishing corn as a "star" product with substantial category value and market influence.

Shiyue Daotian
long grain rice

Shiyue Daotian
yellow glutinous corn

Shiyue Daotian
seven-color brown rice

Shiyue Daotian
golden honey sweet potato

Shiyue Daotian
salad dressing

Strengthening Digital and Intelligent Operations to Build an Efficient and Agile Supply Chain System

Shiyue Daotian has made significant strides in upgrading production automation and digital operations to create an efficient and collaborative supply chain network. By the end of 2024, the Company had deployed over 20 automated production lines, significantly boosting its standardized production capacity. Relying on five self-operated regional central warehouses (RDCs) located in Shanghai, Tianjin, Chengdu, Shenyang, and Dongguan, along with dozens of local warehouses, the Company has built a modern warehousing and logistics system covering the entire country, greatly improving both the timeliness and stability of order fulfillment.

Shiyue Daotian is continually optimizing its digital and intelligent operation system to further improve operational efficiency and management capabilities. By leveraging the data intelligence operation system to track, collect, and analyze core business data across the entire value chain, the Company ensures seamless network collaboration and intelligent data management, thus strengthening its competitive advantages. In parallel, the Company places a strong emphasis on cultivating a digital talent pool. By recruiting and developing interdisciplinary technical personnel and enhancing core capabilities such as data governance and intelligent analysis, Shiyue Daotian provides intellectual support for the long-term, efficient operation of its supply chain.

Innovating the Intelligent Marketing System to Drive Growth Momentum

Shiyue Daotian has developed an intelligent marketing ecosystem centered around content to drive target growth. Using content as a lever for traffic, the Company has gained deep insights into the pain points of its core consumer groups. Through a dual-drive strategy of "traffic + content," the Company effectively integrates brand concepts, product selling points, and lifestyle scenarios, creating viral brand content. This "build-up, explosion, and conversion" marketing strategy engages consumers, drives full-chain marketing, and maximizes brand traffic across all channels. It empowers both online and offline terminal conversions and successfully integrates brand effectiveness with sales performance. Furthermore, Shiyue Daotian has effectively promoted the branding of traditional agricultural products, setting a new benchmark for intelligent marketing in the industry.

Case **Innovation Drives High-quality Development - Shiyue Daotian Won the Annual Innovation Award**

From December 5 to 7, 2024, the 9th Global Investment Carnival was held in Shenzhen, hosted by Gelonghui. Shiyue Daotian, as a leading fast-growing pantry foods enterprise in China, won the prestigious Annual Innovation Award. The award recognizes Shiyue Daotian's innovation-driven growth and its outstanding reputation and influence in the industry and market.

Shiyue Daotian won the Annual Innovation Award

Amid shifts in the economic cycle and evolving market competition, Shiyue Daotian has solidified its core business foundation. By leveraging category innovation, channel expansion, and diversified marketing strategies, the Company has opened new market opportunities and successfully created channels for upward growth.

03

Green and Low-Carbon Pathway to a Sustainable Future

In the global context of actively addressing climate change, adopting green and low-carbon development has become a crucial pathway for the sustainable growth of enterprises. Shiyue Daotian is committed to making efforts across multiple dimensions, contributing to alleviating environmental pressures by actively responding to climate change. In its operations, the Company focuses on optimizing energy efficiency, strengthening emissions management, and reducing packaging material usage. The Company also strives to balance economic development with environmental protection, fostering the green transformation of both the Company and society, and working toward a better ecological future.

Addressing Climate Change

Practicing Green Operations

Protecting the Ecological Environment

3.1 Addressing Climate Change

Shiyue Daotian actively engages in identifying and assessing climate-related risks and opportunities, fully integrating climate change risk identification, adaptation, and mitigation into its decision-making framework. The Company continually enhances its monitoring and early warning systems for extreme weather events, updates its disaster response plans, and is dedicated to improving the effectiveness of climate-related disaster prevention and management. At the same time, the Company closely monitors the dynamic trends of climate change, and plans the locations of production bases according to suitable agro-climatic conditions.

Physical Climate Risks	■ Increased frequency of extreme weather events such as torrential rain, snowstorms, droughts, and severe cold could lead to significant physical climate risks, potentially disrupting the Company's operations or raising operational costs. ■ In the medium to long term, climate change will affect the climate conditions in major raw grain-producing areas like Wuchang City, altering the accumulated temperature of effective growth and shortening the full growth period of crops, which may negatively impact crop quality.
Climate Transition Risks	■ In the context of the energy transition, the Company may face power outages and supply restrictions due to energy-related challenges, which could disrupt operations in the short to medium term or increase the investment and maintenance costs of energy facilities.
Climate-Related Opportunities	■ Reduced agricultural meteorological disasters such as frost, cold damage, cold waves, floods, and hail could extend the suitable growing period of crops and accelerate their development, increasing the climate production potential and yield of crops. ■ As the concept of green consumption spreads throughout society, there is growing public demand for green, organic, and healthy food products. This trend is expected to enhance the sales of the Company's healthy food offerings.

Through comprehensive identification and scientific evaluation, the Company identifies key environmental factors and compiles a *List of Important Environmental Factors*, which serves as the foundation for setting environmental objectives, performance indicators, and management plans. In 2024, Shenyang Xinchang, considering compliance and applicability, revised its *Environmental Management System Manual* and procedural documents. The Safety and Environmental Protection Department is responsible for identifying and clarifying climate risks and opportunities across various activities, including production, technology, management, and environmental protection. This identification process is carried out through on-site investigations and interviews. The Company has also established methods for assessing climate-related risks and opportunities, along with appropriate countermeasures and evaluation techniques.

3.2 Practicing Green Operations

Shiyue Daotian is committed to promoting green environmental protection and deepening its green operations. By improving energy efficiency and reducing energy consumption, the Company ensures strict emissions control to meet environmental standards, minimizing negative impacts on the environment. In selecting and using packaging materials, the Company prioritizes green, environmentally friendly, and biodegradable options. The Company is actively implementing a multi-pronged approach to establish a comprehensive green operations model, which not only drives economic benefits but also safeguards the ecological environment. In 2024, the Company did not experience any violations related to environmental protection that had a significant impact on the environment.

Energy Management

The Company places great emphasis on the efficient management and utilization of energy. Energy management teams have been established at major production bases, where the general managers oversee the coordination of energy supply, equipment management, and the tracking of energy and water consumption. These efforts support the Company's goal of establishing a robust environmental management system.

To reduce energy and resource consumption, improve the efficiency of energy resource utilization, continuously enhance energy and resource management levels, and protect the environment, Shenyang Xinchang has developed the *Energy and Resource Management System*. This system sets clear standards for energy measurement and statistics, and outlines detailed regulations for the management of electricity, water, and office supplies. The Safety and Environmental Protection Department is responsible for communicating energy-saving regulations and systems, revising and updating the energy management system, and overseeing energy-saving initiatives. All relevant departments are accountable for the statistics and management of energy and resources within their respective areas, and they must cooperate actively to ensure that systems are implemented and energy conservation and consumption reduction goals are met.

Indicator	Unit	2023	2024
Total comprehensive energy consumption	MWh	71,257.9	103,591.4
Electricity consumption	MWh	54,588.9	75,235.5
Diesel	Kiloliters	449.5	663.2
Gasoline	Kiloliters	106.3	135.1
Natural Gas	Thousand Standard Cubic Meters	756.7	1,860.6
Coal	Tonne	357.2	958.1
Comprehensive energy consumption intensity per unit of product	kWh/t product	115.4	151.7
Comprehensive energy consumption intensity per unit output value	MWh/RMB 1 million of operating revenue	14.6	18.0

Notes:
(1) Our energy consumption statistics cover five production bases in Xinmin (Shenyang), Wuchang (Harbin), Tonghe (Harbin), Songyuan (Jilin Province), and Aohan Banner (Chifeng), the Beijing Administrative Center and four regional branches (Tianjin, Shanghai, Guangzhou, and Chengdu).
(2) The total comprehensive energy consumption is the sum of various types of energy actually consumed by the Company during the reporting period, after being converted according to the prescribed calculation methods. The conversion coefficients for different energy types into standard coal are based on the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).
(3) The comprehensive energy consumption intensity per unit of product includes only the products produced by the Company itself, excluding OEM products. The comprehensive energy consumption intensity per unit output value is the total comprehensive energy consumption divided by operating revenue, which includes revenue from the sale of OEM products.

To further reduce our environmental impact, we actively implement the following objectives and plans:

- Optimizing the energy structure and promoting electricity substitution: We plan to increase the proportion of electricity consumption in total comprehensive energy consumption to 80% by the end of 2025. Replacing fossil fuels such as coal, gasoline, and diesel with electricity will help reduce emissions of pollutants such as sulfur oxides and nitrogen oxides and help control greenhouse gas emissions. The measures to achieve this goal include replacing traditional coal-fired drying equipment with high-efficiency, energy-saving drying equipment; replacing some diesel vehicles with electric vehicles to reduce diesel consumption and exhaust emissions; increasing the proportion of air-source heating equipment; and primarily using rice husks for drying. These measures will also contribute to reducing greenhouse gas emissions.
- Strengthening statistical monitoring and controlling emission intensity: By the end of 2025, we plan to further improve the energy consumption and carbon emission statistics mechanisms at all existing and planned production bases. We will also establish performance management indicators for energy consumption management to better evaluate the effectiveness of energy conservation and emission reduction efforts.

Water Resources Management

We approach water resources management with a strong sense of responsibility, strictly adhering to relevant laws and regulations such as the *Water Law of the People's Republic of China* and the *Administrative Measures on Groundwater Protection and Utilization*. We continuously improve our internal water resources management system. By strengthening water management and protection, we are effectively promoting water conservation, and the rational development and utilization of water resources.

In the Company's daily operations, water consumption is primarily concentrated in the production of corn and rice and in daily operational activities. Currently, our primary water source is municipal tap water, with a small amount coming from underground wells.

To foster a strong water conservation culture, we actively promote water-saving awareness across the Company. We display water conservation signs prominently in all water-use areas, constantly reminding employees to develop good water-saving habits. Additionally, we regularly inspect all water usage areas to eliminate water wastage. We also carefully monitor the implementation of water intake and water-saving measures, ensuring that each water-saving initiative is carried out effectively.

Indicator	Unit	2023	2024
Total water consumption	Tonne	165,465.5	1,180,658.6

Notes:
(1) Our water consumption statistics cover five production bases in Xinmin (Shenyang), Wuchang (Harbin), Tonghe (Harbin), Songyuan (Jilin Province), and Aohan Banner (Chifeng), the Beijing Administrative Center and four regional branches (Tianjin, Shanghai, Guangzhou, and Chengdu).
(2) The increase in total water usage in 2024 was due to the growth in the Company's corn sales and production volume.

To effectively manage water usage, we have identified the risks associated with potential water shortages and established the following objectives to further reduce water consumption:

- Controlling water consumption during production: Implementing a water usage standard, ensuring that water consumption per tonne of processed rice does not exceed 13 liters.
- educing domestic water consumption for employees: Setting a benchmark of 7.2 tonnes of domestic water consumption per employee per year. Conducting regular inspections, replacing aging or damaged pipelines, and installing sensor-controlled faucets in some areas to advocate water conservation and encourage employees to develop water-saving habits.

Greenhouse Gas Emission Management

Our greenhouse gas emissions primarily result from energy consumption in production, administrative offices, and company-owned vehicles. No intermediate greenhouse gas emissions are produced during the grain production and processing stages. We have implemented energy-saving and emission-reduction measures to control and reduce our greenhouse gas emissions.

Indicator	Unit	2023	2024
Total GHG emissions (Scope 1 and 2)	tCO2e	36,011.8	46,666.6
Scope 1 GHG emissions	tCO2e	3,119.5	6,185.4
Scope 2 GHG emissions	tCO2e	32,892.3	40,481.1
Greenhouse gas emission intensity per unit product	Kg CO2e/t product	58.3	68.3
Greenhouse gas emission intensity per unit output value	tCO2e/RMB 1 million of operating revenue	7.4	8.1

Notes:
(1) Our GHG emissions statistics cover five production bases in Xinmin (Shenyang), Wuchang (Harbin), Tonghe (Harbin), Songyuan (Jilin Province), and Aohan Banner (Chifeng), the Beijing Administrative Center and four regional branches (Tianjin, Shanghai, Guangzhou, and Chengdu).
(2) We calculate our GHG emissions based on the Company's energy consumption. The CO2 and GHG emission factors for direct (Scope 1) GHG emissions are sourced from Appendix 4 of the China Energy Statistical Yearbook 2021, the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operating Enterprises, and the Greenhouse Gas Emissions Calculation Tools for Energy Consumption (Version 2.1). For indirect (Scope 2) GHG emissions, the calculation for 2023 is based on the grid emission factor of 0.5703 tCO2e/MWh provided in the "Notice on the Reporting and Verification of Greenhouse Gas Emissions for Key Industries and Enterprises from 2023 to 2025" issued by the Ministry of Ecology and Environment. For 2024, the calculation for indirect (Scope 2) GHG emissions is based on the average CO2 emission factor for China's regional power grids as published in the "Announcement on the Issuance of the 2022 Power Carbon Dioxide Emission Factor" by the Ministry of Ecology and Environment.
(3) We calculate the greenhouse gas emission intensity per unit product based on the Company's internally attributable production, excluding OEM products.

In terms of value chain GHG emissions (Scope 3), we have preliminarily identified key emission categories, including "transporting purchased raw materials or goods," "transporting products for sale," and "business travel," with reference to the *Accounting and Reporting Standards for Enterprise Value Chains (Scope 3)*. We have optimized logistics routes, improved transportation efficiency, and reduced energy consumption and greenhouse gas emissions from upstream and downstream logistics by deploying warehousing logistics systems and applying transportation management systems. Specific actions include: encouraging the adoption of a "road + rail/sea" mixed transport model, and leveraging big data to enhance transportation and distribution efficiency, thereby minimizing potential emissions.

We have reduced transportation distances and carbon emissions during product transport by establishing self-operated RDCs and landing warehouses. In 2024, we transported over 20,000 tonnes by rail, serving 27 destination cities. Additionally, we encourage employees to collaborate via remote videoconferencing and other means, reducing unnecessary business travel, further lowering Scope 3 GHG emissions. Looking ahead, we plan to gradually implement statistics and monitoring of Scope 3 emissions in accordance with the Climate Disclosure Guidelines, and expand the disclosure of Scope 3 emissions over time.

Waste Management

We continuously strengthen the management of emissions, with all relevant departments effectively controlling environmental factors generated during production. This ensures the efficient operation and continuous improvement of the environmental management system, allowing us to achieve our environmental management goals and enhance overall environmental performance.

Hazardous Waste Management	We strictly comply with regulations for the centralized disposal of hazardous waste. For small amounts of used engine oil and testing reagents, we have signed hazardous waste disposal agreements with professional waste disposal companies and completed the required hazardous waste transfer forms. At the same time, we recycle organic waste such as rice husks and broken rice, generated during production, for use as insulation materials, fillers, and fuel.
Wastewater Discharge Control	According to the environmental assessment report, no industrial wastewater is produced during rice and coarse grain production. However, some industrial wastewater is generated during the production of fresh corn. Other wastewater discharges consist mainly of domestic and canteen wastewater. After being treated by a separator, the canteen wastewater is combined with domestic wastewater and discharged into an anti-seepage septic tank. The wastewater is then treated in the septic tank and discharged into the local sewage treatment plant via the municipal pipe network. Industrial wastewater generated from fresh corn production is treated by the factory's integrated sewage treatment equipment and then discharged into the local sewage treatment plant via the municipal pipe network.
Exhaust Emission Control	Our primary sources of exhaust pollution include dust (particulate matter) generated during raw grain processing, sulfur dioxide, nitrogen oxides, and smoke from coal-fired and gas-fired boilers, as well as tailpipe emissions from company-owned vehicles. We strictly adhere to the relevant pollutant emission limits set out in the *Integrated Emission Standard of Air Pollutants* and the *Emission Standard of Air Pollutants for Boilers*. Additionally, we have established management systems, including the Environmental Protection Management System and the Hazardous Waste Management System, to ensure proper waste management. Specifically, we have installed dust removal equipment, exhaust pipes, and dust collectors at each production base to ensure proper collection and treatment of dust particles. We also have integrated waste management facilities in place and engage third-party agencies to regularly monitor air pollutant concentrations in exhaust emissions, ensuring compliance with permitted levels.

Indicator	Unit	2023	2024
Sulfur oxides	Kg	3,223.9	8,604.8
Nitrogen oxides	Kg	6,387.2	8,270.9
Dust particles	Kg	7,894.7	9,900.1

Notes:
(1) Our air pollutant emissions statistics cover five production bases in Xinmin (Shenyang), Wuchang (Harbin), Tonghe (Harbin), Songyuan (Jilin Province), and Aohan Banner (Chifeng), the Beijing Administrative Center and four regional branches (Tianjin, Shanghai, Guangzhou, and Chengdu).
(2) Our sulfur dioxide emissions primarily result from coal, gasoline, diesel, and natural gas, with the following emission factors: The sulfur oxide emission factor for coal is 8.62 kg/ton; for natural gas, it is 0.17935 kg/1000 m^3; and the sulfur oxide emission factors for gasoline and diesel are based on How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs issued by HKEX, specifically 0.0147 g/L for gasoline and 0.0161 g/L for diesel.
(3) Our nitrogen oxide emissions primarily come from natural gas and vehicle operations.

Usage Management of Packaging Materials

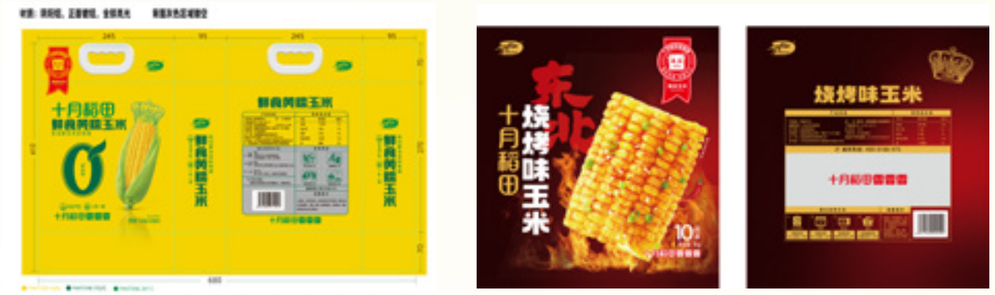
Upholding the principles of environmental protection and sustainable development, while ensuring food safety and quality, we actively seek practical solutions for optimizing packaging materials with the goal of using environmentally friendly materials and reducing packaging volume. In 2024, we replaced external packaging with built-in handles, significantly reducing the amount of plastic used per unit of product packaging. We continuously increase the proportion of recyclable materials, selecting packaging such as paper boxes and bags to reduce environmental pollution. Additionally, we mark packaging with green environmental protection logos and recycling symbols, encouraging consumers to recycle packaging materials and actively participate in environmental protection efforts.

The total amount of various packaging materials and the usage of packaging materials per unit of product are as follows:

Indicator	Unit	2023	2024
Total amount of packaging materials used forfinished products	Tonne	13,495	25,235
Including: plastic packaging bags (PE)	Tonne	7,411	8,548
plastic paper packaging bags	Tonne	4,113	4,837
aluminum-plastic packaging bags	Tonne	478	8,151
plastic woven bags (PE)	Tonne	749	612
plastic bottles (PET)	Tonne	326	402
other packaging materials	Tonne	418	2,685
Amount of packaging materials used per unit product	Kg/t product	18.32	35.80

Note:

(1) The increase in packaging material usage was due to the rise in the Company's corn production, which led to a corresponding increase in corn packaging usage.



Some green packaging samples

Regarding the introduction of packaging material suppliers, we have refined the entry process, integrating it into the DingTalk system to comprehensively assess suppliers' environmental protection documentation. Priority is given to suppliers with VOC certification and ISO 14001:2015 certification, and we encourage suppliers to use environmentally friendly products and services.

3.3 Protecting the Ecological Environment

In response to the *Implementation Plan for the National Black Land Protection Project (2021-2025)*, we have established multiple production bases in northeast China. Through collaboration with local farmers via "contract farming" agreements, we contribute to the high-quality development of agriculture and the modernization of rural areas in northeast China, while also safeguarding the cultivated land in the region's typical black soil areas.

Our production bases have prepared environmental impact reports as required, and during the site selection process, we strictly adhere to national ecological protection red lines and environmental quality standards. The land designated for the project is classified as industrial land, ensuring that it does not encroach on basic farmland, forest land, ecological protection red line areas, drinking water source conservation zones, or nature reserves. At the same time, we work with local farmers to promote ecological agriculture, protect soil and water resources, and advocate for sustainable agricultural practices. We encourage farmers to reduce the use of chemical fertilizers and pesticides to preserve soil and water health, ensuring a healthy and sustainable farmland ecosystem. This initiative also prevents agricultural expansion into natural habitats, preserving biodiversity. Moreover, we are actively advancing the certification of environmental management systems across our production sites to enhance our environmental management capabilities and protect the ecological environment. By the end of 2024, our Shenyang Xinchang and Wuchang Caiqiao production bases had obtained ISO 14001 Environmental Management System certification.

Certificate of Shenyang Xinchang Environmental Management System Certification

Certificate of Wuchang Caiqiao Environmental Management System Certification

04

People-Centered Growth with Employees

Employees are the most valuable resource of an enterprise and the core driving force behind its sustainable development and innovation. Starting from a foundation of respecting and protecting employee rights, Shiyue Daotian safeguards their legitimate rights; places great emphasis on employee health and safety, creating a conducive working environment; supports employees in enhancing their skills and achieving their career goals through systematic training and career development planning; and offers reasonable salaries and a comprehensive benefits system to make employees feel cared for, fostering a strong sense of belonging. By working hand-in-hand with employees, we aim to achieve a win-win situation for both the Company and its employees.

Respecting and Protecting Rights and Interests

Employee Health and Safety

Training and Career Development

Compensation and Welfare Assurance

4.1 Respecting and Protecting Rights and Interests

Respecting and protecting employee rights is the cornerstone of the Company's steady development. Shiyue Daotian fully recognizes the value of its employees, adheres strictly to labor laws and regulations, and ensures equal basic rights for employees, including employment, salaries, rest, and vacation. We actively foster a fair and just working environment, eliminating any form of discrimination or bias. By maintaining open communication channels, we ensure that employees' voices are heard and their concerns addressed. This approach ensures that employees truly feel respected and valued in their work, thereby enhancing their enthusiasm and creativity.

Protecting Employees' Rights and Interests

The Company has established systems such as the *Recruitment Management System* and the *Labor Contract Management System*, clearly stipulating that individuals who do not meet the required working age will not be employed. Identity verification is conducted for all new employees to prevent issues such as child labor, and no discriminatory clauses are allowed. Working hours and vacation policies fully comply with relevant laws and regulations.

In 2024, the Company further refined the *Employee Attendance and Leave Management System* and the *Code of Conduct Management System* for Employees. Using the Workers' Congress as a platform, the Company maximized its role by integrating both online and offline methods. Employee representatives were carefully engaged in studying relevant systems to promote the standardization of the Company's operations, while ensuring employees' right to information and supervision.

The Company has included provisions in the *Code of Conduct Management System* to provide clear channels for employees to report grievances or complaints, ensuring the protection of their legitimate rights. By the end of 2024, no complaints related to discrimination or harassment had been received.

Talent Recruitment and Introduction

Shiyue Daotian primarily publishes recruitment information through various platforms, including major job boards, campus recruitment (such as campus talks, dual-selection fairs, online applications, etc.), headhunting, the Company website, and social media. In 2024, Shiyue Daotian visited over 10 universities for campus recruitment activities, such as career talks and job fairs, providing students with training and employment services. It has signed employment base cooperation agreements with Dalian University of Technology, Liaoning University, Heilongjiang University, and other universities. The "Lituo Xinyun" Rural Revitalization Promotion Group from Dalian University of Technology won the university-level first prize. The Company also participated in the talent cooperation publicity group organized by Jiangnan University and the Ministry of Human Resources and Social Security of Shenyang, contributing to talent recruitment projects in Shenyang.

Shiyue Daotian promotes social employment by leveraging enterprise development and improving employment efficiency through digital initiatives. The Company has received numerous accolades, including "Best Employer of the Year" awarded by CTG, "Nomination for Best Employer of the Year" by Zhaopin, and "Service Digitalization - Customer Experience Officer" awarded by Zhonghe Group.

Nomination for Best Employer of the Year by Zhaopin

Best Employer of the Year Trophy by CTG

Case **Shiyue Daotian Group Held a Special Job Fair at the School of Journalism and Communication Heilongjiang University**

In September 2024, Shiyue Daotian Group and the School of Journalism and Communication at Heilongjiang University held a special symposium and job fair. During the event, Shiyue Daotian detailed its development history, corporate culture, business scope, and future prospects. The Company emphasized its commitment to providing prepackaged high-quality rice, coarse cereals, bean, and dry products, while highlighting its strong brand influence and market share. The Company also expressed its focus on talent recruitment and development, hoping to establish a long-term, stable partnership with universities to jointly cultivate high-quality talents who meet industry needs.

Job fair at the School of Journalism and Communication, Heilongjiang University

Case **Shiyue Daotian Signed a Practice Base Agreement with the School of Economics and Business Administration Heilongjiang University**

In March 2024, the School of Economics and Business Administration at Heilongjiang University signed an employment base cooperation agreement with Shiyue Daotian and officially established the practice base.

Practice base of the School of Economics and Business Administration, Heilongjiang University

Case **Shiyue Daotian Signed a Practice Base Agreement with the School of Mechanics and Aerospace Engineering Dalian University of Technology**

In February 2024, the practice team from Dalian University of Technology visited Shiyue Daotian and held a symposium to learn about the foundation and development history of the Company, discuss the path of rural revitalization, and visit various departments, including operations, sales, logistics, design, and live streaming, to gain a close understanding of the Company's operational mechanisms. During the event, both parties signed the Practice Base Agreement and held an inauguration ceremony, laying the foundation for further cooperation in rural revitalization.

Practice base of the School of Mechanics and Aerospace Engineering, Dalian University of Technology

Employee Composition

Indicator	Unit	2023	2024
Total number of employees	Person	1,926	2,062
Number of employees by gender			
Male employees	Person	920	977
Female employees	Person	1,006	1,085
Number of employees by type of employment			
Full-time employees	Person	1,898	2,031
Part-time employees	Person	28	31
Number of employees by age group			
30 and below	Person	548	569
31-50	Person	1,230	1,322
51 and above	Person	148	171
Number of employees by region			
Beijing	Person	411	394
Other regions	Person	1,515	1,668

Employee Turnover

Indicator	Unit	2023	2024
Total new hires	Person	1,163	960
Total number of employees separations	Person	1,364	824
Employee turnover rate	%	41	29
Number of employee separations by gender			
Male employees	Person	686	390
Female employees	Person	678	434
Number of employee separations by age group			
30 and below	Person	452	300
31-50	Person	808	483
51 and above	Person	104	41
Employee turnover by region			
Beijing	%	53	35
Other regions	%	37	27

Note:

(1) The turnover rate for each employee category = the number of employee separations in that category for the given year / (the total number of employees in that category at the end of the year + the total number of employee separations in that category for the given year) * 100%.

4.2 Employee Health and Safety

We have always strictly adhered to relevant Chinese laws and regulations concerning occupational health and safety. To ensure workplace safety and employee health, we have proactively developed a range of policies and regulations, including the *Work Safety Accident Management System and the Occupational Health* and *Safety Management Manual*. At each production base, we have established a work safety committee, led by the general manager, which is responsible for coordinating major safety issues related to the production process and daily operations. This committee ensures that work safety measures are effectively implemented within the organizational structure.

Currently, we have successfully implemented an occupational health and safety management system at our Wuchang Caiqiao and Shenyang Xinchang production bases. This system is built in strict accordance with the ISO45001/OHSAS18001 standards, covering all employees and various operational activities in the factory, ensuring comprehensive protection for each employee's health and safety.

To address the occupational hazards present in the factory, we have created the *Risk Assessment Form for Hazard Identification* in strict compliance with the requirements of our occupational health and safety management system. We have also commissioned professional agencies to conduct comprehensive testing of occupational health hazards in the factory. Based on the identified risks, we have swiftly implemented a series of targeted measures. For example, we provide necessary personal protective equipment, such as dust masks and earplugs, to employees in key areas to minimize their exposure to hazardous factors. We also organize regular occupational health check-ups for employees and issue health certificates to those who meet the criteria, allowing for the timely detection and prevention of occupational diseases. Furthermore, we have increased our investment in equipment upgrades to prevent issues such as leaks, spills, and emissions, thereby reducing the sources of occupational hazards.

Improving Organizational Structure	● Wuchang Caiqiao has optimized its work safety organization and management structure by appointing safety supervisors and full-time safety personnel, with 10 departmental safety managers. Regular meetings will be held each month in 2024, during which safety precautions will be highlighted. ● Shenyang Xinchang has established a Work Safety Committee, responsible for managing work safety and addressing major safety issues in production and daily operations. In 2024, the Safety Committee held four meetings, focusing on EHS&F-related matters.
Health and Safety Risk Investigation	● Wuchang Caiqiao carried out an annual assessment of occupational hazards. ● In 2024, Shenyang Xinchang re-assessed risks and created a hazard identification list. Based on the findings, effective hierarchical control measures were put in place.
Work Safety Training	● Wuchang Caiqiao organized 12 work safety training sessions this year, covering topics such as fire safety, safe grain storage, employee safety, operational safety, and forklift safety. A total of 233 employees participated. ● Shenyang Xinchang conducted occupational health training in line with the annual plan.
Occupational Health Prevention and Control	● Wuchang Caiqiao and Shenyang Xinchang arranged occupational health checks for employees exposed to harmful factors.

To strengthen the Company's safety management and further improve employees' safety awareness, we have implemented a comprehensive range of safety measures. These include regular safety education and training, occupational health and safety training, and safety seminars, all of which have effectively enhanced safety awareness throughout the organization.

Case **Basic Work Safety Training in Shenyang Industry Park in 2024**

In March 2024, a training session on basic work safety requirements was held at the 2F large screen area of the workshop in Shenyang Industry Park. The training lasted two hours, with 72 participants. The course received positive feedback in evaluations.

Basic work safety training

Case **Emergency Drill for Waste Oil Leakage Accident at Shenyang Xinchang**

In October 2024, the Company organized an emergency drill to address waste oil leakage incidents at the Equipment Department's machine maintenance room. The drill aimed to enhance employees' emergency response skills, ensure rapid and effective control and treatment in case of a leak, and minimize environmental pollution and personal injury.

Emergency drill for waste oil leakage

Case **Fire Drill Organized by Shenyang Xinchang**

In December 2024, Shenyang Xinchang organized fire drills in the rice workshop and external finished product areas to ensure a rapid, efficient, and orderly emergency response in the event of a sudden fire. Through these drills, employees' emergency response speed was further improved, and coordination with external firefighting teams was strengthened. In the event of a fire, emergency procedures can be carried out swiftly, ensuring safety while minimizing damage to personnel and equipment, thus safeguarding the lives of employees and the Company's assets.

Fire drill

Indicator	Unit	2023	2024
Number of participants in safety and Environmental protection training	Person-time	3,179	3,122
Number of employee injury incidents[1]	Case	30	26
Lost working days due to work-related injury	Day	1,383	1,322

Note:

(1) Work-related injury incidents mainly involved minor sprains and contusions due to misoperation and accidents. Affected employees returned to their posts after recovery.

Indicator	Unit	2022	2023	2024
Number of work-related fatalities	Person	0	0	0

4.3 Training and Career Development

To promote the Company's long-term development, Shiyue Daotian is actively building a comprehensive talent development system for a diverse workforce. Placing great importance on discovering and nurturing talent, we provide employees who demonstrate excellent performance and managerial potential with ample training opportunities, empowering them to perform at their best on a broader platform. Regularly conducting talent assessments and employee interviews, the Company utilizes the "2-7-1" talent selection mechanism to accurately identify individuals with management potential, ensuring a strong leadership pipeline for the future. Rewarding outstanding employees through incentive programs, such as salary adjustments and year-end bonuses, we stimulate their enthusiasm and creativity.

To enhance the overall quality of our team, we have established a robust training system at both the group and department levels. Group-level training focuses on cultivating corporate culture, transferable skills, and management capabilities, helping employees strengthen their sense of identity and belonging to the Company while improving their overall literacy. Department-level training, on the other hand, centers on imparting specialized knowledge and operational skills to better equip employees for their roles. We continuously implement various training programs, including internship, induction, and on-the-job training, which assist employees in developing a professional work ethic, cultivating good work habits, and accumulating extensive business knowledge.

In addition, to further support the career development of employees, we have implemented a mentorship program.

- For management trainees, we have designed a comprehensive internship and post-induction training plan. During the internship phase, the training program is detailed and targeted, helping trainees quickly familiarize themselves with the Company's operations and workflow. Once onboard, the mentorship program offers one-on-one career development guidance, providing more in-depth support.
- For fresh graduates in 2024, we have launched a management trainee program covering key areas such as corporate culture, business introductions, and general skills. We have invited leaders from relevant departments to serve as lecturers, providing trainees with comprehensive and in-depth guidance.

Key practices in talent training and development in 2024

Innovative Training Course Design Mechanism	A series of "internal training lectures" was launched, introducing a variety of courses, such as business introductions and general skills, breaking down departmental barriers, enhancing employees' work capabilities, and fostering greater organizational cohesion.
Optimizing Personnel Allocation and Development Mode	We have adopted the strategies of "mentoring by experienced employees" and "team splitting". By transferring experienced employees into fast-growing businesses, we enrich their career paths with the "old mentoring the new" approach. As the business evolves, we implement "team splitting," continuously restructuring operational teams, promoting team leaders, and accelerating the development of employees' abilities.
Build a Talent Echelon	We have implemented the S100 talent echelon selection process, initially selecting 3 talent pools, with a total of about 140 target development personnel.

Induction training

Internal training lecture

Management trainees at the end of induction training

Excellent team of management trainees

Indicator	Unit	2023	2024
Number of training programs conducted during the year	Number	252	314
Number of employees participating in training during the year	Person-time	5,047	9,520
Total duration of employee training	Hour	4,203	6,327
Average duration of employee training	Hour	2.18	3.06
Employee training hours by gender			
Male employees	Hour	2,277	2,386
Female employees	Hour	1,926	3,941
Employee training hours by employee category			
Senior Executives	Hour	126	138
Middle management	Hour	504	827
General staff	Hour	3,573	5,362

4.4 Compensation and Welfare Assurance

Compensation and welfare assurance are direct reflections of the Company's commitment to its employees and are key factors in attracting and retaining talent. Shiyue Daotian adheres to the principles of fairness, rationality, and competitiveness in its salary system design, ensuring that employees' efforts are proportionate to their rewards, allowing them to earn corresponding economic returns. Additionally, the Company offers a variety of welfare programs, including health care, living allowances, and holiday benefits, addressing all aspects of employees' work and life. This ensures employees feel the warmth of the Company, both materially and spiritually, thus enhancing their satisfaction and loyalty.

We strictly adhere to relevant laws and regulations, contributing to employees' social insurance and housing funds, and provide maternity leave, paternity leave, and annual leave to ensure that employees' working hours and leave entitlements comply with legal standards. Furthermore, we offer a variety of welfare benefits, such as physical examinations and holiday bonuses, ensuring the well-being of our employees and enhancing their sense of happiness and belonging.

Case **Shenyang Xinchang Paves the Way for Employee Compensation Promotion**

Shenyang Xinchang recognizes the dedication of each employee and has thoughtfully designed a clear and transparent salary promotion system to support their professional growth. Salary adjustments are based on a comprehensive evaluation of performance, capabilities, and contributions to the Company. Each year, employees who meet the criteria are provided with opportunities for salary increases. The promotion criteria are well-defined, combining rank and performance to ensure that every dedicated individual is given the opportunity to be recognized. Additionally, the Company has a fair and reasonable adjustment mechanism in place for special circumstances, ensuring equity and transparency. Shenyang Xinchang is committed to establishing a transparent and accessible salary promotion pathway, ensuring that every effort is duly rewarded.

We value the appeals and feedback of our employees, continuously improving communication and actively listening to their concerns. Through initiatives such as the "7-1-3" interview plan for new employees and exit interviews, we gain deep insights into employee needs and implement necessary improvements, addressing their feedback and requests with concrete actions.

The benefits provided by the Company to its employees include, but are not limited to, payment of social insurance, free meals, free commuting or fuel subsidies, internal referral rewards, internal purchase opportunities, holiday benefits, and a variety of team-building activities.

Wuchang Caiqiao organized Spring Festival team-building activities

Beijing headquarters organized employees to participate in Brand Day activities

05

Taking Responsibilities for a Better Future

While pursuing its own development, fulfilling corporate citizenship is an essential responsibility for any enterprise. Shiyue Daotian is dedicated to building harmonious partnerships and achieving win-win development through sustainable procurement, strengthening supplier management, and supporting industrial cooperation. We are actively involved in rural revitalization, injecting vitality into rural development, and enthusiastically contributing to social welfare. By doing so, we aim to improve people's livelihoods and promote social progress. We take our responsibility as a corporate entity seriously, contributing to the sustainable development of society.

Promoting Rural Revitalization

Contributing to Social Welfare Initiatives

5.1 Promoting Rural Revitalization

Shiyue Daotian has embraced rural revitalization as a central mission of its development strategy, deeply integrating corporate growth with the national rural revitalization plan. The Company is committed to finding new avenues for rural development through the full empowerment of the industry chain, collaboration across industrial clusters, and the co-creation of ecological value. This approach provides long-term momentum for enhancing agricultural efficiency, increasing farmers' incomes, and fostering rural prosperity. Shiyue Daotian is devoted to helping create a new vision of common prosperity in rural areas.

Building a Comprehensive Industry Chain Ecosystem and Strengthening the Foundation of Rural Revitalization

The Company fully leverages its industry influence and supply chain advantages, fostering the integrated development of various business sectors such as agricultural processing, manufacturing, and e-commerce logistics. We focus on creating an end-to-end industry chain, spanning from procurement, order-based production, processing, warehousing, logistics, and sales to brand experience, customer retention, and services. This strategy lays a solid foundation for modern large-scale agriculture and injects fresh vitality into rural industries.

The Company has established five production bases in the key grain-producing regions of Northeast China–Xinmin, Wuchang, Songyuan, Tonghe, and Aohan Banner. This infrastructure has built a nationwide modern warehouse and distribution system that enables the efficient circulation of agricultural products. By implementing order-based production, standardized processing, and intelligent warehousing logistics, we have created a significant number of job opportunities for local farmers. This allows them to benefit from both "grain planting in the fields" and "employment at the warehouses" without having to leave their homes.

Case Xinchang Factory Actively Assumes Social Responsibilities and Promotes Employment for Local Farmers

Xinchang Factory has actively fulfilled its social responsibilities by providing numerous employment opportunities. In 2024, over 80% of the factory's workforce consisted of local farmers, with a total of 1,202 farmer workers employed throughout the year. The total salary paid amounted to RMB 47.095 million. Through skill development and modern management practices, Xinchang Factory has helped traditional farmers rapidly transition into industrial workers, improving their skills and increasing their income. Without affecting the land income of rural households, the Company has fostered a virtuous cycle where "one person's employment leads to increased family income." As a result, the average annual income of a single household has risen by more than RMB 100,000. This initiative has directly contributed to the development of the rural economy and enhanced the livelihoods of local families.

Deepening Industrial Cluster Coordination and Activating Rural Economic Momentum

As a food processing enterprise, Shiyue Daotian bridges the gap between industry and agriculture, as well as between cities and rural areas. The Company is integral to production, circulation, and consumption, fully leveraging its industry influence and supply chain advantages. It drives the development of agricultural industrialization consortiums and fosters both horizontal and vertical integration within the agricultural sector. By promoting "industrial cluster cohesion," the Company encourages the deep integration of agriculture with industry and services, while vertically constructing a complete industrial chain. This approach facilitates the coordinated development of primary, secondary, and tertiary industries in rural areas. Through the "online orders + express logistics" model, the Company has established an efficient channel for agricultural products, unlocking the consumption potential of rural areas, extending the value of the industrial chain, and enhancing the overall value chain.

Case Carrying out the "Contract Farming" Model to Mobilize Farmers' Enthusiasm for Grain Planting

Since 2017, we have actively implemented the innovative "contract farming" model in Northeast China. Each spring, we collaborate with local agricultural cooperatives and farmers, signing an "Agreement of Intent for Rice Procurement" for the upcoming season's rice. To strengthen cooperation and expand land contracts, we provide farmers with free rice seeds and sign paddy procurement contracts with them. This initiative has significantly contributed to the steady growth of contracted land areas.

Practicing the Concept of Ecological Development and Escorting the Sustainable Future of Rural Areas

Shiyue Daotian integrates ecological protection into key operational stages across the entire industrial chain. Through the "contract farming" model, we guide scientific crop rotation and land conservation. In 2024, approximately RMB 3.6 billion was invested in raw materials procurement to sustain the health of the farmland ecosystem. Driven by the principle of "sustainable craftsmanship," the Company promotes green processing technologies and low-carbon logistics, reducing resource waste and achieving a dual win in both economic and ecological benefits.

Case New Agriculture Promotes Rural Revitalization, Shiyue Daotian Recognized as the “2024 ESG Case in Food and Beverage"

Focused on developing new drivers of growth and seeking a new future for the industry, the 3rd C183 Sichuan Cuisine Grand Ceremony, sponsored by The Cover, West China City Daily, and Sichuan Cuisine Internal Consultant was held in Chengdu in December 2024. Shiyue Daotian, a leading and rapidly growing pantry foods enterprise in China, was recognized as the "2024 ESG Case in Food and Beverage" for its "Xinmin Rice Express+" project.

Case Shiyue Daotian Named a Model for Enterprise ESG in Rural Revitalization at the Boao Forum for Entrepreneurs

In December 2024, the Xinhua News Agency Brand Work Office, Xinhuanet, and Xinhua News Agency Hainan Branch held the 2024 Boao Forum for Entrepreneurs in Boao, Hainan. The forum focused on thoroughly studying and implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee, deepening reforms, stimulating innovative development, and boosting enterprise confidence. At the forum, Shiyue Daotian was selected as a model for enterprise ESG in rural revitalization, further solidifying its commitment to rural development and sustainable practices.

5.2 Contributing to Social Welfare Initiatives

As a leading enterprise in the pantry foods industry, Shiyue Daotian has always regarded fulfilling its social responsibility as a core mission and actively engages in public welfare. Over the years, we have remained committed to our founding values, actively responding to national initiatives and supporting rural revitalization through public welfare. In the face of major social events, we provide timely assistance, offering both material support and emotional encouragement. Regarding community development, we care for vulnerable groups and organize various volunteer service activities. Through sustained efforts, we demonstrate corporate responsibility and make tangible contributions to building a better society.

Case Sending Quality Rice for the New Year, Supporting Front-line Workers through Public Welfare

In December 2024, in partnership with the China Population Welfare Foundation, we organized a public welfare event titled "Forge Ahead on a New Journey and Salute Workers" in the Asian Sports Village Sub-district, Chaoyang District, Beijing. We delivered 10,000 kg of northeast rice to representatives of frontline workers, offering New Year's condolences and blessings to honor those who continue to serve on the front lines, especially during the winter season.

Charity activity

Case Sponsorship of the "Tongxin" Public Welfare Research and Study Activities

In October 2024, the "Tongxin" Public Welfare Research and Study Activity, sponsored by Wuchang Caiqiao, took place. This event was organized by the Social Work Department of the CPC Wuchang Municipal Committee and the Wuchang Education Volunteer Team. Forty exemplary students from urban and rural primary and secondary schools in Wuchang, accompanied by educational volunteers, traveled to Harbin for a research and practical learning program centered on patriotism and modern science and technology.

"Tongxin" Public Welfare Research and Study Activity

Case "Loving Mother" Lit the Path for Left-behind Children's Growth

Zhao Shulan, Executive Director and General Manager of Wuchang Caiqiao, visited thehomes of impoverished children

In October, Shiyue Daotian launched the "Loving Mother" public welfare initiative, with a focus on caring for left-behind children in hardship. The Company organized employees to step into the role of "Loving Mothers," providing left-behind children with attentive care in daily life, patient guidance in their studies, and emotional support. Through regular visits and meaningful interactions, this initiative helps compensate for the affection left absent due to parental separation, creating a warm and nurturing environment. The program aims to support the healthy and joyful growth of these children, embodying the Company's commitment to humanistic care and compassion.

Case Selected as the Outstanding Corporate Case for "Annual Public Welfare Responsibility Practices"

In December 2024, the "Shared Responsibility, Creating a Better Future" Annual Meeting of Responsibility Practitioners, hosted by The Paper, was successfully held. During the event, the "2024 Annual Excellence in Responsibility Practices" cases were announced, providing a reliable model for promoting the sustainable and high-quality development of both enterprises and public welfare organizations. Shiyue Daotian was honored to be included in the list of enterprises recognized for their outstanding "Annual Public Welfare Responsibility Practices".

Appendix

Content Index of the HKEX ESG Reporting Code

Subject Areas,Aspects, General Disclosures and KPI		Related Chapters
A. Environment		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	
KPI 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.	
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
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.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
KPI 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.	
B. Social		
Employment and Labor 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.	4. People-Centered Growth with Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	4. People-Centered Growth with Employees -Respecting and Protecting Rights and Interests
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		

2024 | Environmental, Social and Governance Report

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.	4. People-Centered Growth with Employees - Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4. People-Centered Growth with Employees - Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
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.	4. People-Centered Growth with Employees -Respecting and Protecting Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	1. Integrity and Pragmatism Driving High-Quality Development - Building Harmonious Partnerships
KPI B5.1	Number of suppliers by geographical region	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
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 matters relating to products and services provided and methods of redress.	2. Committing to Excellence in Creating High-Quality Food - Product Safety and Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2. Committing to Excellence in Creating High-Quality Food - Quality Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1. Integrity and Pragmatism Driving High-Quality Development - Integrity and Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	2. Committing to Excellence in Creating High-Quality Food - Product Safety and Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2. Committing to Excellence in Creating High-Quality Food - Quality Customer Service
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.	1. Integrity and Pragmatism Driving High-Quality Development - Integrity and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
Community		

2024 | Environmental, Social and Governance Report

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.	5. Taking Responsibilities for a Better Future - Promoting Rural Revitalization - Contributing to Social Welfare Initiatives
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	
Climate-related Disclosures		
(I) Governance		
(I) Governance	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	ESG Strategy and Management - ESG Management
(II) Strategy		
Climate-related risks and opportunities	An issuer shall disclose its assessment of any climate-related risks reasonably likely to have a material effect on the issuer's business model, strategy and cash flows, its access to finance and its cost of capital, which may manifest in the short, medium or long term.	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change
Business model and value chain	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change
Strategy and decision-making	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph (a) An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph (a).	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change

Financial position, financial performance and cash flows	Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change
	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change
Climate resilience	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date; and (b) how and when the climate-related scenario analysis was carried out.	/
(III) Risk Management		
Climate-related risks and opportunities	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	3. Green and Low-Carbon Pathway to a Sustainable Future - Addressing Climate Change
(IV) Metrics and Targets		
Greenhouse gas emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 GHG emissions; (b) Scope 2 GHG emissions; and (c) Scope 3 GHG emissions.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
Greenhouse gas emissions measuring method	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 GHG emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 GHG emissions; and (d) for Scope 3 GHG emissions disclosed, disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations

Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	/
Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	/
Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	/
Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	/
Internal carbon prices	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making; and (b) the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	/
Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	/
Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	/
Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	3. Green and Low-Carbon Pathway to a Sustainable Future -Practicing Green Operations
	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	/
	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	/

Note: Since the amendments to the Listing Rules and the Code (the "2024 Amendments") adopted in the Consultation Paper on Enhancement of Climate-related Disclosures Under the Environmental, Social, and Governance Framework will become effective for the financial years beginning on or after January 1, 2025, the Company will pay attention to the phased approach to meet the new climate-related disclosure provisions set out in Part D of Appendix C2, and consider appropriate disclosure in the future years.

Reader Feedback Form

Thank you for reading this report. In order to continuously improve our reporting work, we would like to hear your opinions and suggestions. Please assist us by completing the feedback form below and choose one of the following methods to provide your feedback:

Mailing address: Shiyue Daotian, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing

Tel.: 400-0188-975

E-mail: jiandu@shiyuedaotian.com

QR code:

Your information

Name:

Organization: Position:

Tel.: Fax: Email:

Multiple choice questions (Please tick the appropriate box)

Options	Excellent	Good	Average	Poor	Very Poor
1.This report comprehensively and accurately reflects the Company's significant impacton the economy, society, and environment.					
2.This report responds to and discloses issues of concern to stakeholders.					
3.The information, indicators, and data disclosed in this report are clear, accurateand complete.					
4.The readability of this report, including the logical flow, content design, languageand layout.					

Open-ended questions

1. What additional information do you believe should be included in this report?

2. Do you have any suggestions for our future ESG reports?

We sincerely thank you for your interest and support for Shiyue Daotian!

十月稻田

Shiyue Daotian Group Co., Ltd.