



茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.

四川百茶百道實業股份有限公司

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

(於中華人民共和國註冊成立的股份有限公司)

Stock code : 2555

股份代號 : 2555

2024

環境、社會及管治報告

Environmental, Social and Governance Report



CONTENTS

2 ABOUT THIS REPORT

3 STATEMENT OF THE BOARD

4 ABOUT US

6 CHAPTER I: GOVERNANCE

- 8 (I) Corporate Governance
- 9 (II) Internal Control and Compliance
- 9 (III) Business Ethics and Anti-corruption
- 11 (IV) ESG Governance

14 CHAPTER II: ENVIRONMENTAL

- 16 (I) Respond to Climate Change
- 18 (II) Emissions Management
- 19 (III) Use of Resources





22 CHAPTER III: SOCIAL

- 24 (I) Products and Services
- 34 (II) Employee Development
- 41 (III) Sustainable Supply Chain
- 42 (IV) Franchisee Management
- 43 (V) Public Welfare and Charity

48 APPENDIX

- 48 APPENDIX 1 KEY PERFORMANCE TABLES
- 51 APPENDIX 2 CONTENT INDEX OF
THE ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORTING GUIDE OF HONG
KONG STOCK EXCHANGE

ABOUT THIS REPORT

This is the second environmental, social and governance (ESG) report issued by Sichuan Baicha Baidao Industrial Co., Ltd., which focuses on the disclosure of the management measures, highlighted practices and results of the Company and its subsidiaries in respect of ESG.

• Time Scope

This report is an annual report covering the period from January 1, 2024 to December 31, 2024, and some contents are beyond the above scope.

• Reporting Boundary

The main body of this report is Sichuan Baicha Baidao Industrial Co., Ltd. and all the subsidiaries of the Company.

• Basis and Principles of Preparation

This report has been prepared with reference to the Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), and in compliance with the four principles of materiality, quantitative, balance and consistency for information disclosure.

• Source of Information

The data and information in this report are derived from the Company's internal official documents, internal statistics and relevant public information. Unless otherwise specified, the currency amount involved in this report is denominated in RMB.

• Representation

For ease of explanation, "ChaPanda", "the Company" and "we" in this report all represent Sichuan Baicha Baidao Industrial Co., Ltd.

• Access to The Report

This report is published in electronic version. You can browse and download the report on the following websites:

ChaPanda's official website:
www.chabaidao.com
Website of the Hong Kong Stock Exchange: www.hkexnews.hk

• Contact Us

If you have any questions or feedback on this report and its contents, please contact us through the following methods:

- Email: ESG@chabaidao.com
- Registered office: No. 1, 1/F, Building 1, No. 55 Liangshi Road, Mimou Town, Qingbaijiang District, Chengdu, Sichuan PRC
- Headquarters and principal place of business in the PRC: 10/F, Unit 1, Building 1, Jiayu Financial Technology Center, No. 166 Mingdu Road, Wuhou District Chengdu, Sichuan, PRC

STATEMENT OF THE BOARD

ChaPanda is committed to integrating environmental, social and governance (ESG) into strategic operation and business decisions of the Company, complying with the requirements of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange, and strengthening the Board's supervision and participation in the Company's environmental, social and governance (ESG) matters. As the highest decision-making body of the Company's ESG affairs, the Board is responsible for reviewing the Company's ESG objectives, ESG strategies and management policies, identifying, evaluating and monitoring the key ESG matters, reviewing the annual ESG material issues and ESG reports, and supervising the progress of the Company's ESG objectives by organizing relevant meetings on a regular basis. The members of the Board actively participate in ESG-related training to improve their ESG management capabilities.

The Company's ESG Committee attaches great importance to the identification and management of risks and opportunities related to ESG and climate change, proactively analyzes and identifies material issues of the Company and their associated risks and opportunities based on macroeconomic policies, regulatory requirements, and the industry focus regarding ESG and climate change, evaluates the risks and opportunities of each issue in terms of their actual and potential impacts on the business development and strategic planning of the Company over the short, medium and long term, and formulates appropriate countermeasures. In addition, the committee is also responsible for setting the ESG-related objectives of the Company, determining the importance ranking of ESG issues, and regularly reviewing and reporting to the Board on the progress and effectiveness of ESG work.

This report exhaustively discloses the progress and effectiveness ChaPanda made and achieved in the field of ESG in 2024, and the contents of the report have been considered and approved by the Board. In the future, we will continue to deepen the ESG-related work and promote the Company's sustainable development.

”

ABOUT US

In 2008, we launched our first cup of ChaPanda in Chengdu, the “land of abundance”. Adhering to the brand vision of “making daily drinks that everyone loves”, ChaPanda has insisted on an independent product R&D model for years, focused on product development under its core brand concept of “fresh flavors built upon quality tea”, and constantly explored combinations of natural ingredients with Chinese tea. The Company bears in mind the vision of “create diversified beverage flavors and cultural experience, and satisfy consumers’ evolving demands for quality, health and innovative experience” as it continues to move forward.

We have been deeply involved in the domestic market. As at the end of December 2024, there were 8,395 stores in China. We strategically maintain a limited number of self-operated stores in selected cities to create an immersive consumer experience and to serve as a prominent representation of our brand, and we have 13 self-operated stores. We have been steadily expanding our global presence, with the number of our overseas stores increasing to 14, and have opened 7, 2, 2, 2 and 1 stores in South Korea, Malaysia, Thailand, Australia and Hong Kong, China, respectively.

- **Staying true to the original aspiration:** Delivering the best drink upon quality tea.
- **Leading innovation:** As an industry leader, ChaPanda constantly innovates to deliver quality tea and cultivate consumers’ cognition about good drinks.
- **Customer orientation:** ChaPanda focuses on consumer experience to thoroughly understand each individual’s real needs and enhance their experience across products and all touch points.
- **Spirit of Panda:** ChaPanda remains committed to its original aspiration by taking a serious approach to tea, ingredients, and products. With the “Spirit of Panda” at its core, ChaPanda focuses on high-quality tea and carefully selects its ingredients to reflect the meticulous spirit and image associated with pandas at every touchpoint of the brand.
- **Continuous exploration:** ChaPanda is dedicated to exploring the potential of “quality tea” for brand development.
- **Global vision:** ChaPanda, located in Chengdu, aims to connect with global consumers. ChaPanda has an insight into global trends and is dedicated to promoting its culture worldwide.

Development Milestones

2008

The first ChaPanda store under the name of “Chabaidao (茶百道)” was launched in Chengdu, Sichuan

2010

We registered the trademark of “Chabaidao (茶百道)”

2015

We established a ChaPanda logistics system

2013

We established the ChaPanda franchise supervision system and training management system, and launched a standardized operation mode

2012

The number of ChaPanda stores across the country exceeded 50

2017

We established a cold chain transportation system and brand operation system

2018

Our brand VI was fully upgraded and “DingDing Mao’er” (丁丁貓) was born

2019

The number of ChaPanda stores exceeded 500, and we established a regional operation center model and officially entered first-tier cities such as Beijing and Shanghai

2021

The number of ChaPanda stores exceeded 5,000, and we entered an era of group operation

2020

The number of ChaPanda stores exceeded 3,000, and we cooperated with IPs such as Luzhou Laojiao and Dunhuang Museum to launch co-brand products

2022

We were named as the “Annual Best Brand” (年度最佳品牌) by Alibaba’s Local Services and the “Top 3 Store Growth for 2022-2023” (2022-2023年度門店增長 Top 3) by Canyandata (窄門餐眼); and obtained the “Annual Most Influential Brand Award” (年度最具影響力品牌獎) issued by Meituan and “China Beverage Innovation TOP 50 Annual Product Innovation Award” (中國飲品創新變力TOP 50 年度產品創新獎)

2023

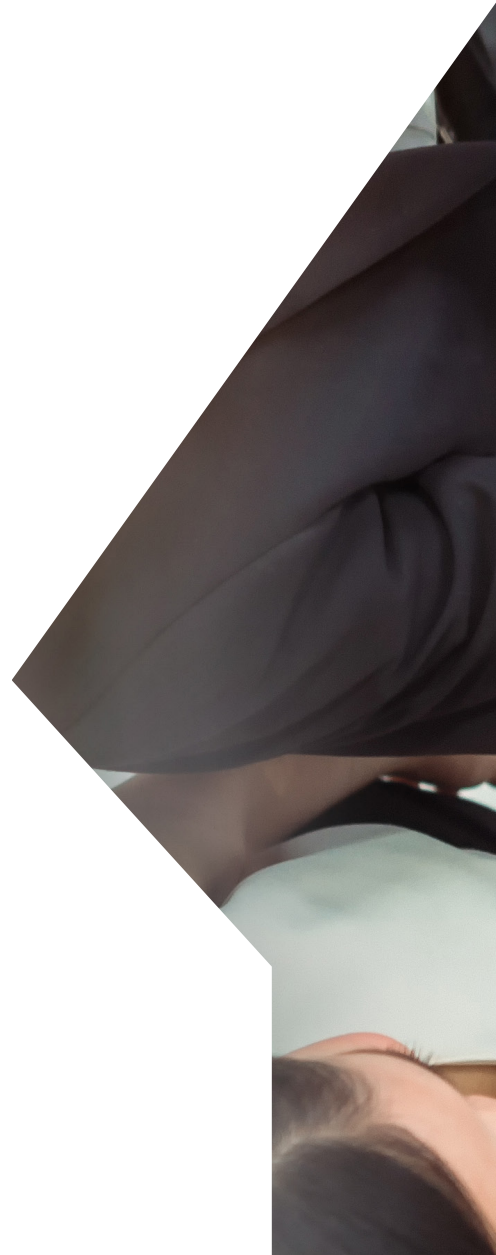
We implemented a comprehensive brand upgrade in which we launched our latest brand IP, “ChaCha”, and the number of stores exceeded 7,000

2024

On April 23, ChaPanda was officially listed on the main board of the Hong Kong Stock Exchange; the number of domestic stores was 8,395 by the end of December, and the number of overseas stores reached 14, covering South Korea, Malaysia, Thailand, Australia and Hong Kong, China

Our Actions

- **Corporate Governance**
- **Internal Control and Compliance**
- **Business Ethics and Anti-corruption**
- **ESG Governance**



GOVERNANCE

Our Performance

• **6** Sessions
compliance training
sessions organized

• **6** Persons
directors participating in
anti-corruption training

• **704** Person-time
employees participating
in anti-corruption training

Contribution to SDGs



(I) Corporate Governance

In compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China Rules, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Corporate Governance Code and other laws and regulations, ChaPanda establishes and improves the corporate governance structure, constantly improves the level of governance, and optimizes enterprise operation. We value the independence and diversity of the Board, whose members have diverse professional and experience backgrounds. As of the end of December 2024, the Company has a total of 8 Directors, including 4 executive Directors, 1 non-executive Director and 3 independent non-executive Directors, among whom 2 are female directors.

(II) Internal Control and Compliance

ChaPanda has consistently adhered to the principle of operating in accordance with the law. In compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Corporate Governance Code and other relevant laws, regulations and normative documents, ChaPanda continues to optimize compliance management system, striving to prevent and mitigate operational risks. We consistently improve our risk management system to ensure that all business activities are conducted within a controlled framework. By strengthening internal control procedures, conducting effectiveness evaluations of internal control processes, and revising the internal control matrix, we enhance the risk identification and management capabilities of all departments, ensuring the steady development of the Company.

We actively foster a culture of compliance and continuously enhance the legal and compliance awareness of all employees. In 2024, the Company organized a total of 12 compliance-related training sessions, covering various aspects such as common legal issues in stores and labor management compliance, aiming to create a compliance culture with full participation.

(III) Business Ethics and Anti-corruption

ChaPanda strictly abides by the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant laws and regulations to resolutely eliminate bribery, fraud, extortion, and any other form of violations of business ethics. In 2024, the Company further revised the Integrity and Honesty System and newly formulated the Implementation Rules for Handling Gifts and Monetary Gifts, to continuously improve the business ethics management system, further strengthen employees' awareness of resisting and combating corruption, and eliminate any potential corrupt practices in business operations. During the Reporting Period, the Company had two corruption-related litigation cases in total, both of which have been referred to the judicial authorities.

We encourage employees to report any violations of the laws, disciplines and regulations, and have set up a number of channels for public complaints and reports, including ethics and compliance hotline, email, "Sunshine ChaPanda" official WeChat account and official social media accounts, to accept integrity oversight from employees and partners. We actively protect the legitimate rights and interests of whistleblowers, and require that the personal information and reporting information of whistleblowers be kept strictly confidential. In daily operations, we strengthen safety management for the whistleblowing mailbox and telephone hotline, and strictly distinguish the responsibilities and division of labour for whistleblowing information management and investigation. The Company will take serious action against anyone who leaks the information of whistleblowers or retaliates against whistleblowers in accordance with the policies of the Company and relevant national laws and regulations.

We have established a standardized complaint-handling process to ensure fair, impartial, effective, and accurate resolution of received reports and complaints. For reported information, the Company's legal and internal control center will initiate an investigation into the reported incident. Based on the validity of the provided clues, the whistleblower will be awarded accordingly. Individuals confirmed to have engaged in fraudulent or bribery activities will be deemed to have seriously violated the Company's policies and will be subject to termination of employment contract. In severe cases, they will be referred to judicial authorities for legal action. After a fraud or bribery incident occurs, the Company will promptly take remedial measures, assess and improve the relevant processes, and, if necessary, require the responsible department to submit a written report on improvement and control to the management of the Company to prevent the recurrence of such incidents.

We actively foster a culture of integrity by using the "Sunshine ChaPanda" official WeChat account to regularly publish content covering anti-fraud, audit, law, and compliance for publicity. We organize diverse business ethics and anti-corruption training activities for all employees to enhance their integrity awareness. In 2024, we invited the local economic crime investigation team to conduct a company-wide lecture on "Preventing Job-Related Crimes" through both online and offline channels. Additionally, we regularly include anti-fraud and employee code of conduct training in new employee orientation programs every month. During the Reporting Period, we conducted a total of 6 integrity culture training sessions and warning education meetings.



Picture: ChaPanda launched a special warning education meeting on investment promotion lines

Indicator	2024	Unit
Number of directors participating in anti-corruption training	6	person
Average hours of directors participating in anti-corruption training	1	hour
Number of employees participating in anti-corruption training	704	person-time
Average hours of employees participating in anti-corruption training	1.1	hour

(IV) ESG Governance

ChaPanda continues to improve its ESG governance mechanism, integrate ESG into the Company's business development and operations, strengthen communication with stakeholders, actively respond to their expectations and concerns, and are committed to achieving sustainable development.

1. ESG Governance Structure

We continuously optimize our ESG management system and clearly define the functions and responsibilities of departments at all levels to ensure the effective implementation of ESG initiatives. The Board of the Company is responsible for reviewing the Company's ESG objectives, strategies and management policies, identifying, evaluating and monitoring the key ESG-related matters of the Company, and reviewing the annual ESG material issues and ESG reports. The Company has established an ESG Committee, which is composed of certain Board and senior management members of the Company with ESG-related risk identification and management capabilities. The ESG Committee is responsible for setting ESG-related objectives based on ESG-related policies, evaluating ESG risks and opportunities, and regularly reviewing and reporting to the Board on the implementation progress and effectiveness of ESG matters.

2. Communication with Stakeholders

We attach importance to the expectations and demands of stakeholders and respond to the concerns of stakeholders in a timely manner through diversified communication channels and methods to meet the expectations of stakeholders.

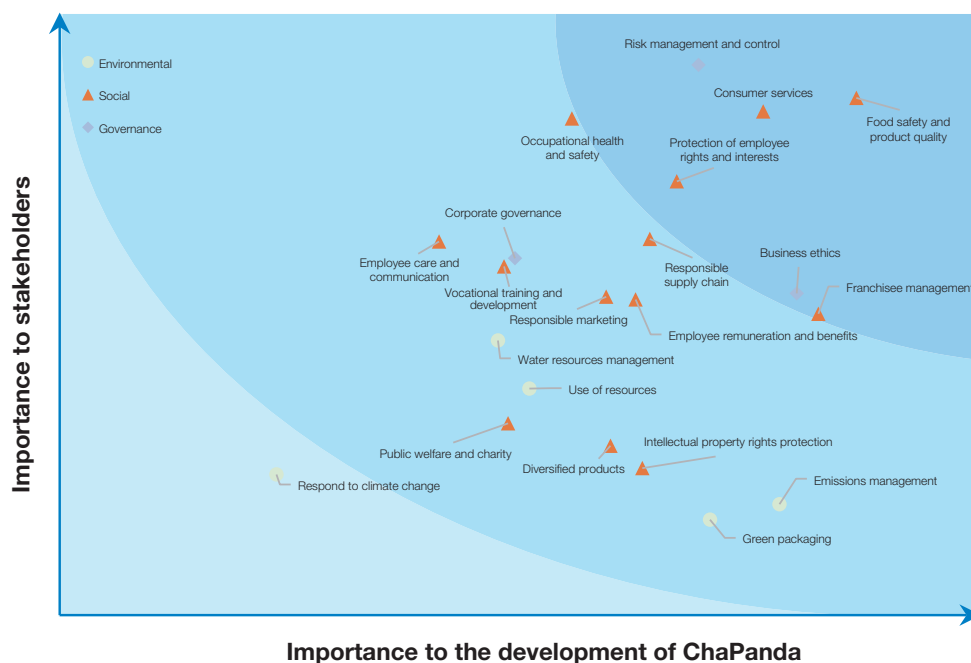
Stakeholders	Expectations and demands	Communication methods
Government/Regulatory authorities	<ul style="list-style-type: none"> • Risk management and control • Corporate governance • Respond to climate change 	<ul style="list-style-type: none"> • Regular reporting and communication • Visits and investigations
Shareholders/Investors	<ul style="list-style-type: none"> • Risk management and control • Corporate governance • Business ethics • Intellectual property rights protection 	<ul style="list-style-type: none"> • Regular disclosure of operating information • Investor communication meetings • Interim and annual financial reports
Employees	<ul style="list-style-type: none"> • Protection of employee rights and interests • Employee remuneration and benefits • Employee care • Occupational health and safety • Vocational training and development 	<ul style="list-style-type: none"> • Employee interview • Employee communication meetings • Employee complaint mailbox • Employee opinion solicitation activities • Employee training activities • “Sunshine ChaPanda” official WeChat account
Franchisees	<ul style="list-style-type: none"> • Vocational training and development • Franchisee management • Product quality and safety • Diversified products 	<ul style="list-style-type: none"> • Franchisee training • Store inspection • Experience sharing platform • Franchise phone number
Consumers	<ul style="list-style-type: none"> • Product quality and safety • Diversified products • Consumer services • Responsible marketing 	<ul style="list-style-type: none"> • Customer service hotline • Official website • WeChat public account
Suppliers/Partners	<ul style="list-style-type: none"> • Responsible supply chain • Green packaging • Business ethics 	<ul style="list-style-type: none"> • Regular communication and visits • Procurement platform • Exchange meetings

Stakeholders	Expectations and demands	Communication methods
Community public	<ul style="list-style-type: none"> Emissions management Use of resources Water resources management Public welfare and charity 	<ul style="list-style-type: none"> Official website Complaint reporting hotline Social media Public welfare and charity activities

3. Determination of Material Issues

We conduct industry benchmarking analysis by taking into account the national policy trends, industry development trends, ESG-related standards and requirements of regulatory authorities. Combined with our business development and strategic layout, we have updated the list of material ESG issues of ChaPanda in 2024. By soliciting advice from internal and external stakeholders, we analyze and prioritize the material issues based on two dimensions of “importance to the development of ChaPanda” and “importance to stakeholders of ChaPanda” and determine the ChaPanda 2024 ESG-related material issues assessment matrix.

ChaPanda 2024 ESG-related Material Issues Assessment Matrix



Highly important	Food safety and product quality, consumer services, risk management and control, protection of employee rights and interests, business ethics, franchisee management
Moderately important	Responsible supply chain, occupational health and safety, employee remuneration and benefits, responsible marketing, corporate governance, vocational training and development, employee care and communication, water resources management, use of resources, diversified products, intellectual property rights protection, emissions management, green packaging, public welfare and charity
Generally important	Respond to climate change

Our Actions

- **Respond to Climate Change**
- **Emissions Management**
- **Use of Resources**



ENVIRONMENTAL

Our Performance

1,499.10

tonnes of standard coal of total
comprehensive energy consumption

11,944,726.49

kWh of electricity consumption

6,467.61

tCO₂e of total greenhouse gas emissions

Contribution to SDGs



(I) Respond to Climate Change

ChaPanda actively responds to the national goals of carbon peak and carbon neutrality, and with reference to the framework recommendations of the Task Force on Climate-related Financial Information Disclosure (TCFD), to proactively promote the identification of climate change risks and opportunities, formulate targeted response strategies, and collaborate with various partners to jointly address climate change and promote low-carbon development in society.

1. Governance

We have integrated the governance of responding to climate change into our overall ESG governance framework. The Board of Directors, serving as the highest decision-making body for ESG matters of the Company, is responsible for reviewing and determining climate change-related objectives. The ESG Committee places great emphasis on the identification and management of climate change-related risks and actively promotes the implementation of climate strategies and action plans.

2. Strategy

We closely monitor policy developments, laws and regulations, and industry market trends related to the transition to a low-carbon economy. We identify and analyze the physical risks and transformation risks of climate change, assess our own climate risks and opportunities, and formulate corresponding countermeasures.

Type of risks		Risk description	Risks and opportunities	Countermeasures
Physical risks	Acute risks	Extreme weather such as typhoons, floods, droughts, and storms caused by rising sea levels resulted from climate change	<ul style="list-style-type: none"> Events such as natural disasters (e.g., floods, typhoons, etc.) may affect the Company's business and the supply of materials by suppliers, which may adversely affect the business operation of the Company Severe weather will affect store operations, takeout and other product distribution, as well as the personal safety of employees Extreme weather makes travelling inconvenient for consumers and increases demand for delivery services 	<ul style="list-style-type: none"> The Company has developed contingency plans and preventive measures for severe weather conditions in response to possible extreme weather and natural disasters to ensure employee safety The Company pays close attention to extreme weather conditions in various places and proactively adjusts store operations and logistics distribution based on weather alerts to mitigate the adverse impact caused by climate-related issues
	Chronic risks	Chronic risks such as rising sea levels and increased hot weather	<ul style="list-style-type: none"> High-temperature weather will affect the storage environment of raw materials and products. At the same time, continued high temperatures may cause physical discomfort to employees, reduce work efficiency in stores, and cause economic losses High-temperature weather may also bring increased demand for cold drink products 	<ul style="list-style-type: none"> Reasonably control multiple temperature zones in the warehouse, and achieve visualized and traceable material distribution with the help of digital empowerment, to ensure fresh and high-quality material supply and food safety The Company pays close attention to the operation of each store and the health of relevant employees, and initiates high-temperature response measures in a timely manner

Type of risks	Risk description		Risks and opportunities	Countermeasures
Transition risks	Policy and regulatory risks	The increasingly stringent laws and regulations on environmental protection and low carbon, and regulatory restrictions on plastic materials have increased the Company's cost of using environmentally-friendly materials	<ul style="list-style-type: none"> • Increase in the operating cost of the Company • The Company will invest in green packaging research and development in advance to promote the reduction of packaging material use and reduce the transformation costs in response to policies and regulations 	<ul style="list-style-type: none"> • The Company continues to pay attention to laws and regulations on environmental protection and low carbon and the development trends and requirements, continuously improves the efficiency of environmental protection operation of the Company, strengthens the management of energy consumption and greenhouse gas emissions data, so as to further save energy and reduce carbon emissions
	Market risks	Change in consumer concepts, tending to choose environmentally-friendly and low-carbon products and services	<ul style="list-style-type: none"> • The Company has to invest more to promote the transformation of environmentally-friendly and low-carbon production and consumption • The Company will explore the promotion and use of environmentally – friendly products and packaging materials, organize environmental protection publicity activities, etc., which will be favored by more consumers 	<ul style="list-style-type: none"> • The Company fully promotes the use of green packaging, including biodegradable straws, cup bags and cutlery, to gain consumer recognition • The Company has organized and carried out diversified public welfare activities on environmental protection to strengthen the publicity of environmental protection and low-carbon concept and image
	Reputation risks	Public awareness of environmental protection increased, and they pay closer attention to corporate actions to address climate change	<ul style="list-style-type: none"> • Inadequate action or negative publicity in relation to responses to climate change will have a negative impact on the Company's brand reputation 	<ul style="list-style-type: none"> • The Company actively communicates with the public, consumers and other stakeholders through diversified channels and methods to disseminate the Company's green and low-carbon environmental protection concepts and innovative actions and achievements to build our image as a socially responsible company

3. Risk Management

We promote the integration of the identification, assessment, response and monitoring of climate change-related risks and opportunities into the Company's ESG risk management process, which includes the identification of climate change-related risks and opportunities, the evaluation of the impact of these risks or opportunities on the Company's business operations, the formulation of relevant response measures, and the monitoring of their implementation. The aim is to effectively manage climate change-related risks, seize climate change-related opportunities, and continuously incorporate climate change into the Company's strategic planning and management practices, thereby promoting the long-term healthy development of the Company.

4. Metrics and Targets

We continue to promote the integration of the concept of low-carbon environmental protection into our daily business operations and production activities. By conserving energy and resources, promoting green office practices, and encouraging employees to adopt eco-friendly commuting methods, we are working hand in hand with our staff to drive carbon reduction, so as to achieve the carbon reduction target of "reducing per capita greenhouse gas emissions (Scope 1 and Scope 2) by approximately 5% by 2025, based on the greenhouse gas emissions data in 2023".

Indicator	2024	Unit
Total greenhouse gas emissions	6,467.61	tCO ₂ e
Greenhouse gas emissions intensity	2.79	tCO ₂ e/person
Direct (Scope 1) greenhouse gas emissions	58.07	tCO ₂ e
Direct (Scope 1) greenhouse gas emissions intensity	0.03	tCO ₂ e/person
Direct (Scope 2) greenhouse gas emissions	6,409.54	tCO ₂ e
Direct (Scope 2) greenhouse gas emissions intensity	2.76	tCO ₂ e/person

(II) Emissions Management

ChaPanda complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and other laws and regulations to standardize the management of waste collection, storage and disposal during the production process and warehousing operations. The Company has established internal management systems such as the Environmental Factor Identification and Management System and the Environmental Protection Facilities Operation Management System, and regularly assesses and monitors environmental factors to reduce negative impact on the environment. In 2024, the Company did not have any incidents of environmental violations.

We are committed to reducing emissions at the source. In terms of store design, we have established six evaluation criteria of "safety and durability, convenience and efficiency, health and comfort, resource conservation, environmental friendliness, and operation management". We adhere to the use of eco-friendly building materials to minimize the emission of harmful gases and substances, aiming to create a safe, environmentally-friendly, and healthy store environment. By adopting prefabricated construction methods, we reduce on-site wet work and material waste, thereby lowering the investment costs for franchisees and avoiding environmental pollution. Meanwhile, we continuously optimize construction techniques based on store operations to enhance the durability of store renovations. We make full use of natural lighting and ventilation to reduce energy consumption during store operations.

• Hazardous Waste Management

In terms of hazardous waste management, we have established internal management systems such as the Hazardous Waste Management System and the Hazardous Waste Identification Marking System to achieve standardized management of hazardous waste in the process of production, temporary storage and transfer. We have established a hazardous waste ledger to record the type, quantity, utilization, storage, disposal, flow and other information of hazardous waste generated, and strictly implement the management of storage, entry and exit of hazardous waste. We entrust qualified professional agencies to conduct safe and harmless treatment of hazardous waste.

In addition, to standardize the management of chemicals in our stores, we have introduced the Store Chemicals Management System to ensure the compliant and safe use and disposal of cleaning and disinfecting chemicals. Stores are required to designate specific areas for storing chemicals and their dedicated tools, with clear labels using prominent colors or fonts to display information such as chemical names and production dates, thereby preventing misuse.

In 2024, the Company's hazardous waste primarily included waste activated carbon and contaminated materials generated from the operation of Senmian New Materials, as well as waste printer cartridges and used dry batteries from office areas. The total hazardous waste generated amounted to 9.1 tonnes, with a hazardous waste emission intensity of 3.93 kilograms per person.

• Non-hazardous Waste Management

We have set a long-term waste reduction goal of gradually reducing the per capita emission of non-hazardous waste. We encourage employees to participate in trash classification and implement a trash classification system in our offices and parks to ensure that recyclable and non-recyclable trash is correctly separated and handed over to qualified third parties for professional disposal.

For the food waste generated in stores, we require that stores have garbage cans in compliance with the requirements of local regulatory authorities, each of which should be appropriately placed and labeled for categorized disposal and promote resource utilization. Meanwhile, to manage expired and non-compliant products in stores, we have established the Store Abnormal Product Destruction and Handling System and the Store Non-Compliant Product Handling System, which clearly define the specific requirements and procedures for the destruction and disposal of waste materials.

In 2024, the Company's non-hazardous waste primarily included food waste, office paper, used cardboard boxes and packaging materials from office areas, totaling 86.24 tonnes. The non-hazardous waste emission intensity was 0.04 tonnes per person.

(III) Use of Resources

We are committed to building an environmentally-friendly enterprise, continuously improving the efficiency of energy use, and promoting green operations.

1. Energy Management

We have set an energy efficiency target of "reducing per capita electricity consumption by approximately 5% in 2025 based on the energy consumption data in 2023". To this end, we actively promote green offices to reduce energy consumption. We have established internal management systems, including the Management System for Office Environment and Employee Behavior Standards, Fixed Assets Management System, Travel Management System, Office Supplies Management System and Vehicle Management System, to regulate the rational use of energy in office areas.

In the design of park engineering projects, we adhere to the Green Building Two-Star Standard. We use 3Ag-low (triple-silver energy-saving glass) as the curtain wall material to achieve excellent thermal insulation and energy-saving effects while reducing light and heat absorption. The exterior wall design includes an insulation layer to ensure that heat exchange between indoor and outdoor environments meets national energy efficiency requirements for buildings. In the design of our logistics cold storage facilities, we prioritize energy conservation by employing hot gas defrosting and constant temperature control systems to minimize energy consumption.

We place great emphasis on energy conservation in office areas and prioritize leasing office buildings with green certifications. When selecting raw materials and suppliers, we give preference to options that meet environmental standards and are energy-efficient. We also insist on using eco-friendly materials for office renovation. In daily operations, we utilize energy-saving lighting fixtures and intelligent lighting control systems, and we regularly maintain and clean the fixtures to reduce light source loss. When natural light is sufficient, we avoid turning on artificial lights and install zoned switches in public areas to prevent unnecessary lighting during the day or prolonged illumination. At night, we encourage employees to turn off lights when leaving and set automatic shut-off times through the central control system to ensure both electricity safety and conservation. In certain areas of the park, we have installed sound-activated and infrared sensor switches, which automatically turn off lights if no activity is detected for over 30 minutes. Additionally, we use an air conditioning management system to set operational standards, control temperatures, and avoid situations where air conditioning is used with windows open or in unoccupied offices. We also enable "energy-saving mode" for office equipment such as printers and copiers to reduce standby power consumption and set automatic shutdown times for devices like conference screens.

We promote paperless office practices by adopting online methods like Feishu and email for document approval, circulation, and various handwritten registration forms, which can increase the utilization of cloud documents, reduce the use of paper and printers, and enhance collaborative work efficiency. We advocate for double-sided printing and the reuse of single-sided printed paper, and have set up a “paper storage area for recycling” to facilitate the secondary use of waste paper. In office areas, we have set up shared office supplies corners to encourage the shared use of non-consumable office supplies such as staplers, calculators and scissors. We strictly manage supplies for each department to reduce the procurement costs of office supplies and encourage employees to use reusable water bottles to minimize the consumption of disposable paper cups. Furthermore, we encourage employees to adopt green commuting practices by prioritizing public transportation for business trips or official duties. We enforce strict control over the use of official vehicles and prohibit their use for personal purposes or the misuse of public fuel, to reduce fuel consumption. We also continue to promote the use of new energy official vehicles.



Picture: Shared office supplies of the Company



Picture: Energy-saving tips in office areas

Indicator	2024	Unit
Total energy consumption	1,499.10	tonne of standard coal
Total energy consumption intensity	0.65	tonne of standard coal/person
Electricity consumption	11,944,726.49	kWh
Electricity consumption intensity	5,150.81	kWh/person
Natural gas consumption	12,413.00	m ³
Gasoline consumption	8,824.03	liter
Diesel consumption	4,168.95	liter

2. Water Resources Management

The water source of the Company is mainly municipal water supply, and we have not encountered any shortage of water resources. We have set a water resources efficiency target of “reducing per capita water consumption by approximately 5% in 2025 based on the water consumption data in 2023”. To this end, we have strengthened the management of water facilities by regularly inspecting and replacing aging water supply pipelines and equipment. We have installed sensor-activated faucets and posted water-saving signs to encourage employees to develop good water-saving habits, reducing and avoiding water waste such as leaks, drips and running taps. In the park, we utilize air conditioning condensate water for cleaning garbage rooms and collect rainwater in the park for greening irrigation. In 2024, ChaPanda’s total water consumption was 43,865.84 tonnes, with a water consumption intensity of 18.92 tonnes per person.

3. Green Packaging

ChaPanda actively responds to the green development trend of eco-friendly packaging by increasing research and innovation in green packaging products. Relying on Senmian New Materials Technology (Chengdu) Co., Ltd., a green factory integrating the research, production and sales of biodegradable packaging materials, we focus on developing degradable and recyclable green packaging solutions to reduce our carbon footprint.

We have increased our investment in green packaging research and development, and established strategic collaboration with experts from Southwest Petroleum University to engage in diverse and multi-level scientific and technological exchanges in the field of new materials. We participated in the formulation of group standards for fully biodegradable packaging bags (for meals and tea drinks takeout and packaging purposes) and biodegradable heat-resistant polylactic acid (PLA) crystalline drinking straws. We successfully developed and adopted biodegradable materials such as PLA-PBAT/PBS for product packaging, and replaced plastic straws with degradable straws made of PLA (plant polylactic acid) in all of our stores to reduce plastic pollution. We have optimized product design by using uniform materials in packaging to facilitate recycling.

We are committed to exploring the reduction of packaging materials. Through technological innovations such as foaming modification and adding lightweight materials, we have successfully achieved light packaging by reducing the density of the materials while maintaining the original thickness and usage intensity of packaging materials, which has not only reduced the packaging costs, but also improved the sustainability of packaging. At the same time, through technological optimization, we have improved the product stability of degradable film bags, effectively slowed down their aging, extended the shelf life of film bags and reduced the waste of packaging film bags.

We have increased our investment in the intelligent production of green packaging. By promoting intelligent upgrades and digital transformation, Senmian New Materials has successfully addressed issues such as high costs, decentralized management and low production efficiency in traditional manufacturing models. The use of intelligent equipment has doubled the production capacity of green packaging.

In 2024, ChaPanda’s packaging material consumption was 1,457.30 tonnes, with a packaging material consumption intensity of 0.63 tonnes per person.

Our Actions

- **Products and Services**
- **Employee Development**
- **Sustainable Supply Chain**
- **Franchisee Management**
- **Public Welfare and Charity**



SOCIAL

Our Performance

A total of **885**
intellectual property rights

Public welfare donations of
RMB 4.5938 million

A total of **2,448** hours
contributed to the public welfare

Contribution to SDGs



A total of **2,319** employees

(I) Products and Services

We strictly control food safety and product quality management, driving product research and innovation centered on consumer needs. By ensuring quality, we continuously enhance market competitiveness and brand value.

1. Food Safety and Quality

1) Food Safety

Strictly adhering to the Food Safety Law of the People's Republic of China and other laws and regulations, ChaPanda has formulated specialized systems such as the Emergency Response Plan for Food Safety Accidents and the Government Food Safety Sampling Inspection Handling Standards to continuously improve the quality and safety management system. In 2024, the Company further strengthened food safety and quality management in stores by introducing new store-level systems such as the Store Pest Management System and the Store Food Safety Responsibility System, along with operational standards such as the ChaPanda Store Pest Control Standards and the Smart Milk Tea Machine Cleaning and Disinfection Standards, as well as a series of store food safety manuals, aiming to continuously refine the food safety management standards for stores.

In order to enhance store management quality and food safety standards to ensure a good customer experience, the Company launched the "920 Operational Management Quality Improvement Initiative" across all nationwide stores. This initiative is divided into four phases of sampling inspections, store learning and self-inspections, comprehensive inspections and corrective actions, as well as targeted inspections with normalized operations, with an aim to continuously improve the operational management quality of brand terminal stores and ensure their healthy and sustainable operation.

The Company actively fosters a culture of food safety through standards publicity and specialized training, strengthening employees' awareness and skills in food safety. We have consolidated all food safety-related regulations, notices, systems and standards into a comprehensive food safety knowledge base, with content covering the ChaPanda Store Food Safety Audit Checklist, ChaPanda Food Safety Manual, Daily Cleaning and Maintenance Requirements for Store Equipment, and Common Issues and Solutions for Government Inspections, making it easily accessible for stores and employees to reference and learn. Since the knowledge base was launched on 2 September 2024, it has recorded a total of 19,023 visits, with 5,405 visitors and over 1,300 monthly visitors on average.

In addition, the Company conducted 38 food safety training sessions through online live streams and offline workshops, targeting store staff, supervisors and various departments, with a total of 39,859 participants trained. Simultaneously, we provided 26 food safety guidance sessions across 16 operational centers nationwide, offering 1-on-1 explanations for food safety risk points identified in stores and proposing corrective measures to comprehensively enhance the food safety standards across all stores nationwide. During the Reporting Period, the Company had no product recalls due to safety and health issues.

Case: ChaPanda launched a nationwide food safety improvement campaign

In September 2024, ChaPanda launched the “920 Operational Management Quality Improvement Initiative”, a systematic campaign aimed at addressing food safety and operational management risks across its nationwide stores. Over the course of three months, the initiative progressed steadily through four phases of “baseline assessment, store self-inspections, comprehensive inspections and targeted rectifications”, covering a vast number of stores across the country. By the end of the campaign, the rectification rate reached 83%. The average score for related metrics in nationwide stores improved to 77.3 points, while the implementation of a normalized inspection mechanism significantly enhanced the overall quality of store operations and management.

2) Product Quality

The Company continues to improve its product quality management systems and has formulated internal management systems such as the Quality Management Manual, Internal Quality Audit System, Product Recall System and Store Health Management System, to ensure standard product quality in all of its stores. The Company has established a full-cycle product quality management system, including four stages of inspecting product compliance and quality, quality control in warehousing and delivery, in-store management and inspection, and quality analysis and improvement, to achieve full-chain control of food safety and quality from suppliers to stores.

- **Supplier Quality Management**

We conduct comprehensive quality risk assessment and testing on potential cooperative products through multiple assessments, including qualification evaluation, sample testing and on-site audits, to ensure they meet standards and pass review. At the same time, we implement specialized supervision and guidance through on-site personnel and regular sampling inspections to monitor suppliers' production processes, assessing whether the flavor and various standard metrics of the products meet requirements. Furthermore, we have established a weekly customer complaint reporting mechanism to analyze and track product-related complaints, ensuring that suppliers effectively implement corrective actions and continuously improve their quality management standards.

- **Warehousing and Delivery Quality Management**

For supplier deliveries, we have established a sound goods acceptance process and standards that comply with national laws and regulations, as well as the requirements for R&D flavor and taste, and quality metrics. Upon arrival, the warehouse conducts quality inspections of materials according to these standards and procedures. Items that meet the standards are accepted and stored, while non-compliant items are rejected, to ensure that only products meeting the Company's requirements will reach the stores.

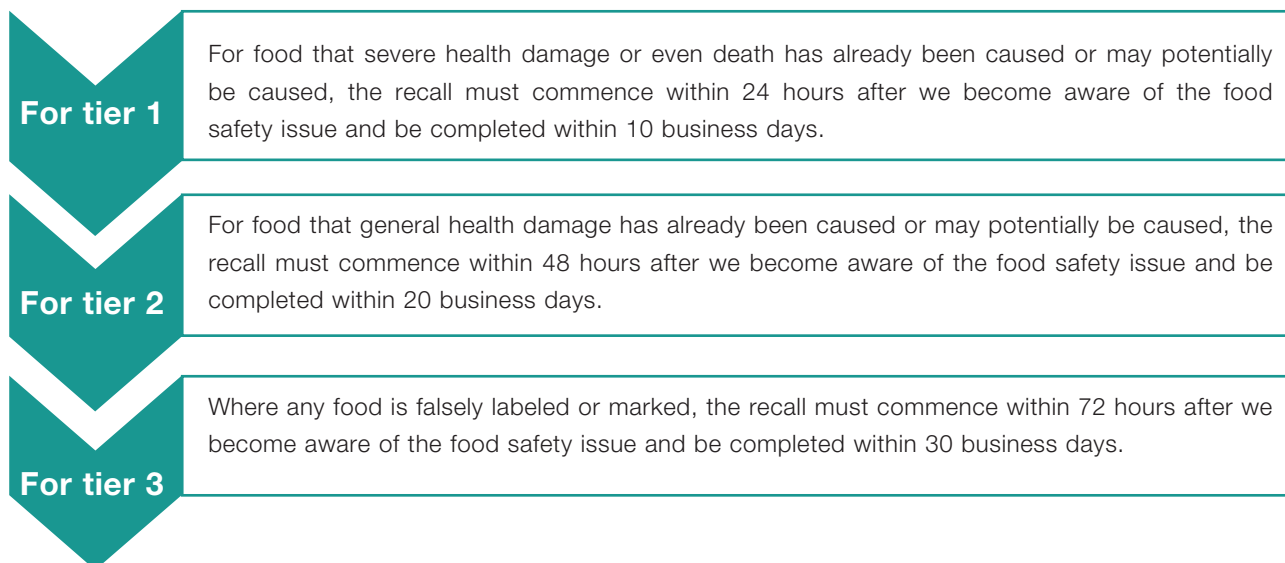
To better control product quality, we have assigned professional quality personnel with over three years of experience to each warehouse. For fruit quality management, each warehouse is equipped with specialized testing equipment, including pesticide residue analyzers, hardness testers, and sugar content meters. Quality personnel inspect each batch of incoming fruits according to the standards, with the results documented through photos and detailed acceptance reports.

- **Store Quality Management**

We have established internal management systems such as the Store Incoming Goods Inspection and Acceptance Management System, Store Self-Procured Raw Materials Management System and Store Food Additive Management Standards to standardize product quality management in stores. We conduct regular and ad-hoc product quality inspections at stores, and if any quality issues are identified, a series of corrective actions, ranging from written warnings to store closures, will be implemented based on the severity of the situation. To standardize the destruction and handling process for abnormal products, ensure their timely and proper disposal and prevent reuse, we have developed the Store Abnormal Product Destruction and Handling System and Store Non-Compliant Product Handling System, which provide clear requirements and procedures for handling non-compliant and expired products.

- **Product Recall Management**

The Company has established a three-tier recall system for non-compliant products. During the Reporting Period, the Company had not encountered any material product recall, and had not received any material consumer complaints with respect to our product quality.



2. Optimizing Service Experience

Making good tea is the original intention of ChaPanda. We focus on innovative product development to meet the diverse needs of consumers and gain more favor from consumers with high-quality service experiences.

1) *Diversified Products*

To precisely develop products that meet consumer needs, we collect consumer profiles and demand data through online questionnaire systems. Simultaneously, we conduct focus group discussions and in-depth interviews to uncover potential pain points, integrating feedback from customer service, stores and social media platforms to form a demand pool. The R&D, marketing, and operation departments collaboratively assess feasibility, and at key R&D stages, we introduce user testing to ensure that product innovations accurately align with diverse consumer expectations.

Taking raw material innovation as our core driver, we have built a full-link quality control system across three key dimensions of tea bases, dairy products and fresh fruits. By adopting the techniques of extracting the flavors from original tea leaves from global premium tea production areas, we create tea bases with diverse flavors. We select dairy products from quality sources and employ advanced processes to preserve nutrition. Through direct procurement from farms and leveraging regional specialty fruits, we ensure stable fruit supply and product differentiation. Additionally, we utilize frozen fresh juice and high-pressure sterilization technologies to balance flavor and freshness, achieving standardized product output. By gathering feedback from multiple rounds of consumer tastings, we optimize taste and experience to continuously enhance product satisfaction.

To accelerate our overseas market expansion, we have established R&D expert teams in South Asia/East Asia/Europe and Oceania, to gain a deep understanding of local food culture, national policies, competitive product information, formulate product development plans that conform to the consumption habits of consumers in each target country and are capable of reflecting local characteristics, and develop exclusive raw materials for overseas markets on the basis of ensuring compliance with the quality/hygiene and food safety requirements of each target country. We combine Chinese tea culture with local culture to launch products with cultural characteristics and suitable for local tastes, such as Malaysian tea lattes, Korean tea coffee, and Southeast Asian fresh fruit smoothies. In addition, we have developed various smart equipment to streamline operating procedures, thereby reducing reliance on labor and training costs, ensuring product quality and operational efficiency and supporting the global promotion of Chinese tea culture.

Case: Establishing sugar reduction standards for the tea drinks industry in collaboration with China Cuisine Association

We always prioritize customer health and have keenly focused on the trend of the impact of freshly prepared drinks on the health of consumers. In 2024, we developed China's first group standard, the Operation Guidelines for Added Sugar Content and Food Safety in Freshly Prepared Drinks, in collaboration with the China Cuisine Association. The standard, designed with customer health in mind, clearly defines sugar content labeling norms of drinks, and meticulously regulates 15 food safety operational details, including raw material storage and production processes, to ensure the health quality of drinks from raw materials to finished products, setting a customer health-centered development benchmark for the entire freshly prepared drinks industry.

Case: Integrating Miao embroidery elements into product design to highlight intangible cultural heritage

Inspired by the floral patterns of Guizhou Miao embroidery, we launched a special intangible cultural heritage-themed packaging and derivatives. Themed embroidering longing, looking forward to the reunion, savoring tea fragrance, the Mid-Autumn Festival marketing campaign promoted product sales. The campaign covered over 8,000 stores nationwide, achieving a threefold enhancement in brand visibility, sales and cultural value through the integration of intangible cultural heritage and modern tea drinks.



Picture: Miao embroidery packaging and campaign derivatives

Case: Designing unique store styles for different scenarios

ChaPanda has achieved a dual enhancement in consumers' cultural identity and experience stickiness by deeply integrating regional cultural characteristics into immersive themed stores, and has continuously strengthened its brand-differentiated competitiveness.



Picture: ChaPanda stores in different scenarios

Case: Establishing Kuanzhai Alley Flagship Store and the Fresh Extraction Workshop

In 2024, leveraging the cultural influence of landmark locations, ChaPanda upgraded its dual-line business model with the launch of the Kuanzhai Alley Flagship Store and the Fresh Extraction Workshop. Located in the core of Chengdu's historic and cultural blocks, Kuanzhai Alley Flagship Store redefines the brand's high-end image with customized products and immersive spatial design, with an aim to strengthen the brand's positioning in the mid-to-high-end market and enhance cultural output through its landmark presence. Focusing on core business districts and tourist areas, Fresh Extraction Workshop creates a differentiated experience through its "fresh extraction, made on-site" technique to promote quality and health-conscious values. It's currently in the site optimization and product iteration phase, and in the future, it will serve as a core model for brand upgrading to explore franchise expansion pathways to achieve dual empowerment of cultural value and business growth.

2) Responsible Marketing

We have formulated internal management systems such as the ChaPanda Brand Visual Standards, Brand Market Management System and Management System on Self-Media External Publicity Review Standard to strengthen the standard management of marketing content, ensure the authenticity of publicity information and effectively safeguard the legitimate rights and interests of consumers.

Case: ChaPanda launched marketing activities that are in line with local culture

ChaPanda achieved local breakthroughs through a dual approach of cultural integration and scenario marketing: By designing limited-edition refrigerator stickers featuring pandas and traditional Korean house elements for the Korean market, combined with opening sticker gifts and social media check-in mechanisms, the brand deeply engaged consumers with its cultural identity. Simultaneously, a pop-up store and the “8.761-second Challenge” were launched at a Korean music festival to collect feedback on new product tastings, while leveraging Instagram interactions to generate social media momentum.



Picture: Offline activities in Korea and peripheral design of refrigerator stickers

3) Customer Complaints and Handling

The Company always puts consumer experience first, striving to continuously improve service quality and focus on consumer satisfaction through innovative service models, optimized service processes, and enhanced service efficiency. We have established a rapid manual response mechanism, offering 7x12-hour around-the-clock customer service hotlines and online customer service to ensure that consumers can quickly reach us anywhere and at any time. At the same time, we utilize an intelligent robot customer service system to intelligently route and promptly respond to consumer inquiries based on question types, effectively reducing waiting time. We have clearly stipulated the response time limits for various types of inquiries and complaints, and incorporated them into the performance metrics of customer service staff. Furthermore, we have compiled high-frequency scenarios of customer complaints and their resolution approaches, empowering customer service staff to efficiently address issues according to established processes. Through regular training and sharing of excellent practices, we continuously enhance the service awareness and professional skills of our customer service team.

To continuously optimize service quality, we have established a comprehensive consumer satisfaction evaluation system to actively collect consumer feedback and make ongoing improvements. On the technical front, we have enhanced the functionality of the consultation page, allowing consumers to directly select historical orders during sessions and access store contact information. Additionally, the customer service call page includes a store phone number query function, enabling customer service staff to directly send store contact details to customers, shortening the query process and further improving the consumer experience.

The Company attaches great importance to consumer complaint management and has established systems such as the Customer Complaint Handling System to standardize the consumer complaint handling process. We provide multiple complaint channels, including 400 customer service hotline, mini-program online customer services, social media platforms such as WeChat Official Accounts/Weibo/Rednote/Douyin, Black Cat Complaints, WeChat/Alipay mini-program transaction complaints, and market regulatory authorities. By categorizing complaints and following a strict complaint-handling process, we aim to enhance customer satisfaction and maintain the brand image of the Company.

Channel	Measures
400 customer service hotline	We provide year-round call-handling services to ensure consumers can reach the Company at any time.
Mini-program online customer services	On the ChaPanda ordering mini-program, we offer online customer service from 9:00 to 21:00 all year round, allowing consumers to access real-time consultations and file complaints conveniently.
Email/letters	Consumers can submit complaints via email or letters, and the Company has designated personnel responsible for handling them.
Social media	We have established official and customer service accounts on platforms such as Weibo, Rednote, Douyin and WeChat, with dedicated personnel assigned to receive and address consumer feedback.
Market regulatory authorities	Consumers can submit complaints through 12345, 12315, online ODR, and consumer association network platforms, and the Company has designated personnel responsible for handling them.
Black Cat Complaints	The Company has activated an account on the Black Cat platform, with dedicated personnel following up on complaints. Customer service personnel are required to respond and reply within 30 minutes.

We have established a complete complaint-handling process to ensure rapid responses to consumer concerns. Designated complaint handlers in each region are required to respond within 30 minutes of receiving a complaint and provide the store resolution outcomes and consumer satisfaction feedback to the complaint specialist within 24 to 48 hours. In special circumstances, timely reporting is required, and the resolution time must not exceed 48 hours. In 2024, the Company received a total of 44,006 complaints regarding products and services, and achieved a customer complaint handling rate of 100%.

Customer complaints level

- **Level 1 Complaints:** Food safety
- **Level 2 Complaints:** Service attitude, operational standards, mini-program complaints, activity complaints, store take-out complaints, employee complaints
- **Level 3 Complaints:** Franchisee complaints against various functional departments (e.g., Site Selection and Expansion Department, Space Design Department, Operation Training Department, Operation Department (Supervision Department), Logistics Department, Inspection Department, Planning Department, Engineering Department, etc.)

Customer Complaint Handling Process:

- (1) Registration of Complaint: Customer service personnel shall record the consumer's complaint information in detail, including the consumer's name, contact details, order information, and the content of the complaint.
- (2) Categorization and Handling: Classify the complaint according to its type and forward it to the relevant department and the customer complaint officer at the respective office for handling.
- (3) Investigation and Verification: The relevant department conducts an investigation and verification of the complaint to understand the sequence of events and the reasons behind them.
- (4) Formulation of a Solution: Based on the findings of the investigation, formulate a reasonable solution to be provided to the consumer.
- (5) Feedback of Results: Timely communicate the handling results to the customer service department and relay the consumer's feedback.
- (6) Follow-up: The customer service department conducts follow-ups on resolved complaints to confirm consumer satisfaction and record the outcomes of these follow-ups.

4) Information Security and Privacy Protection

ChaPanda strictly follows relevant laws and regulations and has formulated relevant systems for ChaPanda's information security management based on frameworks such as the Information System Authority Management and Data Security Governance Regulation. We have optimized the data security organizational structure, improved data security processes, enhanced data security technical control, and strengthened data security operations. At the same time, based on self-assessment results, we have met the relevant requirements for DSMM Level 3 certification, thereby building a robust data security defense to ensure the stable operation of the Company.

ChaPanda implements a stringent data cross-border governance strategy. For domestic user data, we comply with the requirements of the Cybersecurity Law, Data Security Law and Personal Information Protection Law, prohibiting unauthorized cross-border transmission. For overseas business data, we establish localized compliance frameworks in accordance with the laws of operational locations such as Singapore. We implement minimal permission control for necessary data repatriation and deploy sensitive field desensitization mechanisms to ensure data security and compliance.

3. R&D and Innovation

We are well aware that only through continuous research and development and innovation can we stand out in the competitive tea drinks industry. In our product development practices, we actively explore innovative pathways while placing great emphasis on intellectual property protection to safeguard our innovative achievements.

1) *Product Innovation*

To produce products that meet consumer needs, ChaPanda has built its core competitiveness by focusing on R&D and innovation, digital empowerment, and global expansion. In the field of R&D and innovation, ChaPanda stimulates employee creativity through the “Living Water Incentive Program” by organizing monthly R&D competitions and rewarding winners with bonuses and product launch incentives. Simultaneously, an internal competition mechanism within the drinks R&D department is prepared to enhance the quality of proposals through competition. The Company has refined its job position system and clarified career development paths and evaluation standards to align personal growth with organizational goals.

The Company keeps up with the demands for healthy, low-sugar, functional drinks among consumers, and continues to develop new products in line with the trend, such as functional drinks rich in antioxidants, dietary fiber, plant protein, etc., and launches customized products with options including low-sugar, low-calorie, high-protein and others to meet different consumer bases. In addition, we have started the development of nutrition label for our products, and each product carries out a detailed test for nutritional ingredients, including calories, protein, fat, carbohydrates, dietary fiber, vitamins, minerals, etc. Based on the test data, we are to establish a nutrition rating system to help consumers better understand the nutritional value of our products and make healthier choices in the future.

In terms of digital transformation, the R&D center, in collaboration with the digitalization center, has driven intelligent transformation by introducing high-precision audio recording equipment and speech recognition technology to enable the real-time generation of R&D logs and synchronize project management progress, thereby enhancing process standardization. Additionally, a dynamic product R&D database has been established, integrating raw material information, competitor data and market trends to support scientific decision-making. The development of an intelligent formula recommendation model leverages algorithms to assist in design optimization, significantly shortening the R&D cycle.



Picture: Honors and awards received by ChaPanda in the field of digital transformation

2) Intellectual Property Rights Protection

In strict compliance with 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 developed the Intellectual Property Rights Management Manual and the Intellectual Property Rights Management System to standardize ownership protection and risk prevention and control, safeguarding its own rights while strictly avoiding infringement risks. In 2024, the Company built a lifecycle trademark defense system to effectively curb malicious registrations by monitoring global trademark announcements and conducting similarity searches to identify potential risks. Simultaneously, we have established a multi-source infringement detection mechanism (platform patrol + complaint acceptance), implementing a tiered rights protection strategy to effectively safeguard brand rights and market order. As of the end of December 2024, the Company has obtained a total of 885 intellectual property rights.

(II) Employee Development

ChaPanda is committed to safeguarding the fundamental rights and interests of its employees while actively building a talent empowerment platform, striving to create a safe, comfortable and healthy working environment and working hand in hand and growing together with employees.

1. Compliant employment

In strict compliance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations, the Company has formulated and followed internal management systems such as the Employee Handbook and Special Protection Regulations for Minor Workers to standardize employment processes. The Company resolutely prohibits the employment of child labor and forced labor and has implemented a regular review mechanism to ensure compliant employment. In the event of any violations, the Company will strictly hold the relevant personnel accountable and take punitive measures in accordance with laws, regulations and internal management systems to effectively protect the legitimate rights and interests of employees. In 2024, the Company had no incidents involving the employment of child labor and forced labor.

We are committed to diverse talent recruitment and treat every employee and job applicant with fairness and equality. We firmly oppose any form of employment discrimination and ensure that factors such as gender, age, race, religion and disability do not affect a candidate's hiring or career development opportunities. We attract talent through diverse channels, including career websites, campus recruitment and employee referrals, and provide anti-discrimination training for interviewers to ensure objective evaluations. We have launched a special recruitment program for individuals with disabilities, to promote fair employment and contribute to inclusive social development. As of the end of December 2024, the Company has a total of 2,319 employees, including employees from 19 ethnic minorities, fostering a diverse and inclusive cultural environment.

Indicator		2024	Unit
Total number of employees		2,319	person
Number of employees by employee type	Full time	2,319	person
	Part time	0	person
Number of employees by gender	Male	1,166	person
	Female	1,153	person
Number of employees by age	Aged 30 and below	1,353	person
	Aged 31-50	955	person
	Aged above 50	11	person
Number of employees by region	Mainland China	2,319	person
	Hong Kong, Macao and Taiwan and overseas regions	0	person
Employee turnover rate		35.83	%
Employee turnover rate by gender	Male	40.57	%
	Female	31.05	%
Employee turnover rate by age	Aged 30 and below	38.88	%
	Aged 31-50	31.52	%
	Aged above 50	36.36	%
Employee turnover rate by region	Mainland China	35.83	%
	Hong Kong, Macao and Taiwan and overseas regions	0	%

2. Remuneration and Welfare

The Company has continued to improve its employee remuneration management system by establishing a comprehensive remuneration structure, offering diverse employee benefits, and implementing thoughtful employee care initiatives, all aimed at enhancing employees' satisfaction and sense of belonging.

We have developed a multi-dimensional remuneration structure, where remuneration adjustment follows the principle of "position-based remuneration," and remuneration is dynamically optimized based on the Company's operation, individual performance evaluation, and changes in job roles. Benefit allowances, as part of the remuneration system, are flexibly adjusted according to the profitability of the Company. To ensure the transparency and fairness of remuneration, we have established confidential grievance channels. Employees can raise concerns about their pay through an online platform or email. The Company will promptly investigate these grievances, provide feedback, and make corrections if necessary. Additionally, the Company conducts remuneration audits and data monitoring on a regular basis to identify potential discrepancies and reinforce decision-making fairness through management training.

Based on the Company's strategic goals and employees' actual needs, we have completed the iterative upgrade of our performance management system to ensure that the new system is more motivating, fair and practical. Performance evaluation adheres to the principles of fairness, impartiality and oneness, employing a combination of quantitative and qualitative methods to conduct dynamic and results-oriented assessment.

In terms of insurance and benefits, we have established a welfare system comprising "statutory guarantee + unique incentives", which has effectively enhanced employees' sense of belonging and job stability. We contribute social security insurance for employees, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance according to law. Employees are also entitled to full paid leave during seven statutory holidays, including New Year's Day, Spring Festival, Qingming Festival, Labor Day, National Day, Mid-Autumn Festival, and Dragon Boat Festival. We also provide employees with paid leave such as annual leave, marriage and bereavement leave. To motivate the long-term development of our employees, we provide tenure-based subsidies and offer perfect attendance awards to employees who maintain full attendance (no late arrivals or leave, excluding annual leave) each month. For positions requiring frequent travel, we offer transportation allowances, and for positions involving high-frequency external contacts, we provide communication subsidies. Furthermore, we have implemented flexible working hours and remote work policies in severe weather conditions that are adapted to the characteristics of the job, giving employees more autonomy over their work rhythms.

The Company advocates for democratic management and an open and transparent communication culture, encouraging employees to freely express their opinions. We have established an institutionalized two-way communication mechanism, including regular employee representative meetings that cover topics such as benefit optimization and career development, which allows employees to voice their suggestions and enhance their sense of involvement and trust.

We care about the work and life of our employees. Led by the labor union, we have set up an employee assistance channel to provide support and resource connections for employees who are sick or have difficulties in life, creating a comprehensive care network. For female employees, we have established a nursing room and present them with flowers and milk tea cards on Women's Day. During festivals such as Dragon Boat Festival, Mid-Autumn Festival, and Chinese New Year, we carefully prepare customized gift boxes. The Company also organizes annual team-building activities that combine travel and development, as well as large-scale employee celebration events under the theme "Together We Anticipate, Together We Arrive" to enhance team cohesion.

Case: ChaPanda celebrated Women's Day by gifting flowers to female employees

On Women's Day, ChaPanda specially prepared bouquets and greeting cards for all its female employees. This thoughtful and ceremonial holiday gift conveyed the Company's care and appreciation, honoring the hard work and dedication of its female employees in their roles. Through this gesture, ChaPanda demonstrated its commitment to the "people-oriented" corporate value.



Picture: ChaPanda celebrated Women's Day by gifting flowers to female employees

Case: Sports club of ChaPanda

Guided by the core philosophy of "healthy living, happy working", ChaPanda has established a sports club to promote team communication and trust, help employees enhance their ability to complement each other's strengths, build resilience in facing challenges, and improve problem-solving efficiency in collaboration, achieve improvement in both personal growth and team effectiveness, and help employees establish a sustainable and healthy workplace ecology in balancing career development and life.



Picture: ChaPanda organized health and sports activities

3. Occupational Health and Safety

ChaPanda has established internal management systems such as the Safety Management Standards to enhance occupational health risk prevention and control mechanisms, ensuring a healthy and safe working environment for employees. The Company has implemented a full-cycle health intervention program, which includes regular health check-ups, medical consultations, and specialized health guidance, to safeguard the physical and mental health of employees. We have optimized our biennial health check-up system and introduced care services such as health lectures and psychological counseling to further enhance employees' overall health.

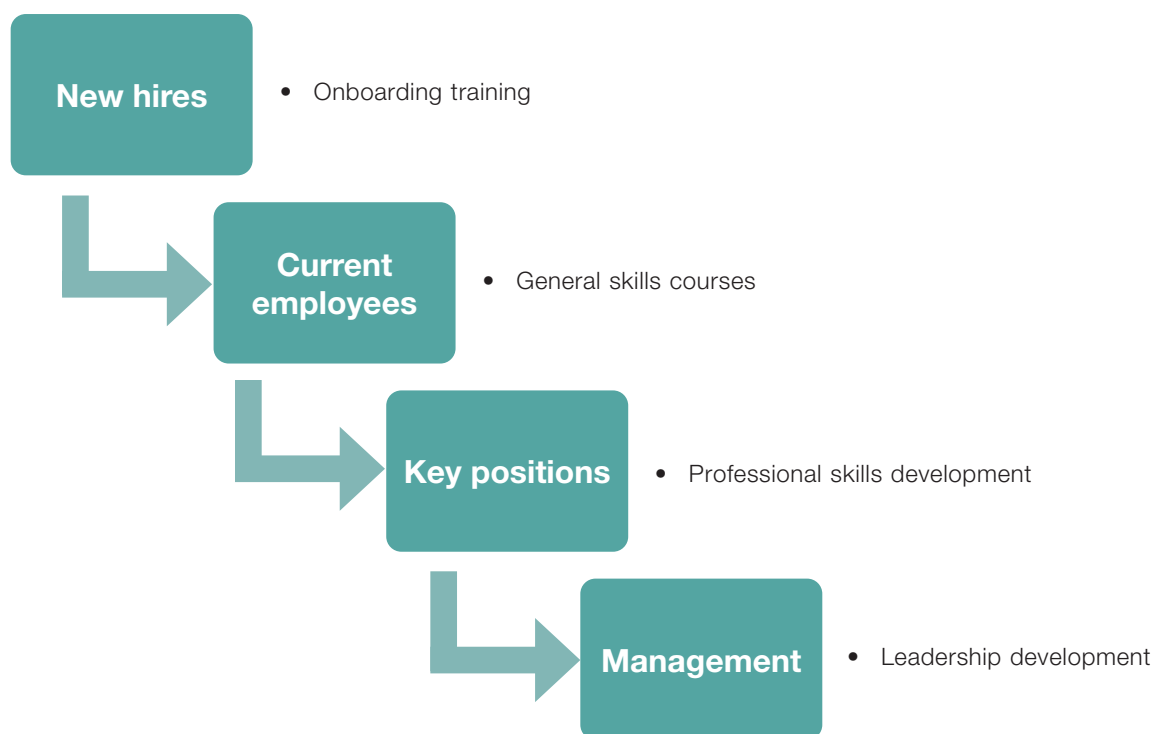
To strengthen employees' safety awareness and their ability to self-rescue and mutual rescue, we have established a regular first-aid training and emergency drill system. In collaboration with fire protection and health departments, the Company conducts annual fire drills to improve employees' emergency response capabilities through practical training, forming a dual-protection network of "physical and mental health protection + safety skill enhancement". Furthermore, we have founded a sports club to promote the development of a healthy and collaborative corporate culture. The Company had no work-related fatalities in the past three years. In 2024, the lost day due to work injury in the Company was zero.

4. Employee Training and Development

ChaPanda actively builds a talent empowerment platform, continuously optimizes its employee promotion systems and career development paths, and establishes clear talent development channels to provide employees with fair career development opportunities.

We create precise talent profiles, develop diverse recruitment channels, implement dynamic evaluation mechanisms, and establish an internal talent pool with clear classification and continuous updates to form a full-chain talent selection and development system. We improve the career development mechanism by opening up dual promotion pathways for both management and professional tracks, optimizing job transfer mechanisms, and supporting cross-departmental mobility, so as to promote the diversified development and rapid growth of talents.

For new hires, current employees, key positions, and management, we design differentiated training programs that cover the needs of capability improvement throughout the career cycle and strengthen the construction of the talent pipeline.



Case: “Cute ChaPanda” campus recruitment program

In 2024, ChaPanda launched its first campus recruitment initiative, and conducted a nationwide selection for its first campus management trainee program through collaboration with renowned suppliers in the industry. The cross-regional recruitment effort not only established a standardized campus recruitment process and training system but also vividly showcased the brand’s youthful image and talent development philosophy through deep interactions with university students and faculty, which laid a solid foundation for the regular implementation of campus recruitment in the future.

Case: ChaPanda launched the training program “Path to Successful Leaders in 2024”

In 2024, ChaPanda initiated the training program “Path to Successful Leaders”, targeting managers, supervisors and potential employees. The program adopts an “integrated assessment and training” model, which includes pre-training assessments, offline intensive training, practical assignments, and post-training coaching. Focusing on developing three competencies of “managing oneself, others and tasks”, the program is structured into 3 training camps and 5 classes, rolling out 15 offline intensive training, aiming to help participants enhance their management skills through tool-based learning and practical application. By leveraging scientific evaluation methods, the program verified behavioral improvement and ability enhancement, systematically refined the cadre training system and reserved management talents to cope with industry changes.



Picture: Group photo of the “Path to Successful Leaders in 2024” training program



Picture: On-site exchange at ChaPanda's Talent Pipeline “Outstanding ChaPanda” Program

Indicator		2024	Unit
Total number of employees trained		3,955	person-time
Total training hours		29,925.35	hour
Employee training coverage ratio		70.85	%
The percentage of employees trained by gender	Male	49.06	%
	Female	50.94	%
The percentage of employees trained by employee type	Senior management	2.07	%
	Middle management	32.62	%
	Junior employees	65.31	%
The average training hours of employees by gender	Male	8.46	hour
	Female	7.42	hour
The average training hours of employees by employee type	Senior management	5.75	hour
	Middle management	9.60	hour
	Junior employees	6.86	hour

(III) Sustainable Supply Chain

ChaPanda has continuously optimized its supplier management system by formulating and updating its internal management systems such as the Logistics Management Manual, Procurement Management System, and Export Material Operation Standards to standardize the lifecycle management of suppliers and ensure a safe and stable supply chain. ChaPanda has integrated ESG factors into its supplier management process to support the sustainable development of its suppliers. As of the end of December 2024, the Company has a total of 339 suppliers, including 338 from mainland China and 1 from the Hong Kong, Macao and Taiwan regions.

1. Supplier Access

We have established rigorous supplier entry criteria and processes to select high-quality suppliers based on key factors such as their certificates and qualifications, registered capital and after-sales service systems. All suppliers can register independently or by invitation through ChaPanda's SRM system to enter the supplier database of ChaPanda. New suppliers must pass sample testing, qualification review and on-site evaluation before becoming trial suppliers. After formal cooperation, if their performance appraisal meets standards for three consecutive months, they are automatically promoted to formally qualified suppliers.

For raw material and packaging suppliers, we require them to have quality management system certifications such as ISO22000, HACCP, FSSC22000, BRC and IFS. For fresh milk suppliers, we conduct multi-dimensional audits and assessments, covering management systems and documentation, workshop and factory environment, cleaning and disinfection as well as employee hygiene, material management, supplier evaluation, process control, HACCP, hazardous substance control, and quality inspection. For fruit suppliers, we focus on evaluating the professional assessment and control of fruit sources, as well as safety indicators such as pesticide residues and heavy metals, to ensure compliance with entry criteria.

2. Supplier Performance Review

We have updated the Supplier Performance Scoring Standards 3.0, which further refined the assessment dimensions to include on-time delivery rates for purchase orders, supplier service satisfaction, service evaluation, food safety and quality control, which will be scored comprehensively by relevant departments. Supplier performance review is conducted monthly. For suppliers who fail to meet performance standards, we provide performance improvement guidance and document the process. In cases of major non-compliance, a one-vote veto policy is implemented. The performance of suppliers is assessed according to the ABC grading management system, among which Grade A and Grade B are qualified suppliers; Grade C suppliers are required to submit rectification reports, analyze the reasons for deductions and undergo factory correction follow-ups. If a supplier is rated as Grade C for two consecutive years, they will be removed from the supplier list.

3. Anti-corruption of Suppliers

ChaPanda has incorporated anti-commercial bribery into its supplier evaluation criteria, requiring all cooperating suppliers to sign the Integrity Agreement as an annex to the procurement contract to clearly constrain the business conduct of both parties. The Company has publicly established an anti-corruption reporting mailbox to create an external oversight channel. In 2024, the coverage rate of suppliers signing integrity agreements was 100%, building a transparent procurement ecosystem from the source.

(IV) Franchisee Management

The Company has established a comprehensive franchisee quality management system to strictly control product and service quality. Simultaneously, the Company empowers franchisees in aspects of training and operational support to help them improve their operation level and achieve mutually beneficial cooperation and long-term stable and healthy development.

1. Franchisee Quality Management

The Company has strengthened its quality control over franchisees by revising internal management systems, including ChaPanda Franchised Store Renewal Assessment Form, Franchised Store Partner Management Policy, Franchised Store Renewal Management System, Franchisee Selection Criteria and Partner Management Policy.

To achieve efficient franchisee management, we have deeply integrated digital management tools with franchisee management by launching the “Franchisee Service Fee Management System” and upgrading the “Supervision Operation System” to enhance management efficiency.

To ensure the effective implementation of our management policies across franchised stores, we have established a multi-layered inspection system covering regional inspection, headquarters inspection and third-party special inspection, as well as random inspections by headquarters and regional inspection teams to ensure comprehensive and efficient store inspection. During the Reporting Period, we had 643 QCS (Quality Control System) inspections, over 543 new product inspections, and 167 inspections for 920 special campaigns. In addition, we have engaged third-party professional organizations to carry out regular food safety inspections in our stores.

We require new franchisees to sign the Store Operation Guarantee Agreement to clarify rights and responsibilities, and have refined renewal evaluation dimensions to build a full lifecycle franchise management system. We conduct multi-dimensional and comprehensive assessments on franchisees and franchised stores on a quarterly basis, and provide appropriate incentives to franchisees who perform well. We also demonstrate excellent cases through the Franchise Committee Weekly to motivate continuous improvement in operational management by franchisees.

2. Franchisee Empowerment

ChaPanda has established a franchisee business school, launched a specialized entrepreneur training program, and built a regular communication platform to systematically enhance the operational capabilities of franchisees and brand synergy effectiveness.

Case: ChaPanda established a franchisee business school to share industry experience

ChaPanda Business School launched the “Benchmark Partner Stories” documentary project, which authentically documented the growth journeys of over 20 outstanding franchisees, members of the Franchise Committee, and frontline teams, building an emotional connection between the brand and its franchisees. Spanning 21 cities across 12 provinces, including Sichuan and Shanghai, the project took 17 months to produce and released 14 documentaries, which effectively communicated the value of the brand’s culture and talent development system, inspiring innovation within the industry and achieving dual empowerment of sharing experiences and fostering cultural recognition.

Case: The Franchisee Committee launched a number of offline forums

ChaPanda, through its Franchisee Committee, organized a nationwide offline forum titled “A Tea Party with ChaPanda (百道心聲·與茶共話)”, which invited the Vice President of the Group and leaders from nine core departments, including supply chain, operations and branding, to engage in an in-depth discussion with franchisee representatives on high-frequency issues in-store operation, with follow-up solutions proposed. By addressing practical operational pain points through direct communication, the forum enhanced franchisees’ sense of recognition toward the standards of the brand. According to the feedback of attendees, “face-to-face communication significantly strengthened trust and effectively resolved operational doubts”, achieving two-way value empowerment between the brand and its franchisees.

(V) Public Welfare and Charity

ChaPanda actively engages in public welfare initiatives by carrying out a variety of social public welfare projects and volunteer service activities, striving to build a better society with stakeholders.

In 2023, ChaPanda joined forces with 10 other new tea drinks brands, including Good Me (古茗), MIXUE (蜜雪冰城), Shuyi (書亦燒仙草), Auntea Jenny (滬上阿姨), HEYTEA (喜茶), YH•Tang (益禾堂), CYYS Tea (茶顏悅色), Sweet7 (7分甜) and Tianlala (甜啦啦), to establish a New Tea Beverage Public Welfare Foundation. As joint donors, we signed a donation agreement with China Rural Development Foundation. By integrating the advantageous resources of all parties, we aim to address social issues in areas such as rural revitalization, industrial support for agriculture, public welfare education support and disaster relief, and are committed to promoting social development and improving social well-being. We hope to provide long-term support for rural revitalization in a sustainable manner by “teaching how to fish” and driving the healthy development of the new tea drinks industry through the integration of social responsibility and industrial value.

1. Contributing to Rural Revitalization

We actively respond to the national strategy of rural revitalization by launching the industrial support for agriculture series of projects by the New Tea Beverage Public Welfare Foundation, focusing on supporting industries such as Guangxi Tiandong mangoes, Sichuan Mengding Mountain green tea and Guizhou Meitan black tea. Additionally, we implemented empowerment initiatives for rural artisans in four major tea-producing provinces, including Sichuan, Guizhou and Yunnan.

- **Mango Industry Support Project:** Mangoes are a pillar industry in Tiandong County, Baise City, Guangxi Zhuang Autonomous Region. However, inadequate infrastructure and a short industrial chain have hindered its development. Our project focuses on cultivating farmers' cooperatives, standardizing production, and improving agricultural production and operation chains to upgrade the entire rural industry chain and enhance sustainability. It is expected to construct 1 modern commodity processing center, cultivate 1 model cooperative, and create over 1,000 jobs once the mango production workshop is completed.
- **Tea Industry Support Project:** In October 2022, the government proposed establishing and improving rural artisan cultivation mechanisms, with the inheritance of tea-making skills being a key component. To address issues such as the lack of management skills among handmade tea masters and the shortage of successors, we launched the rural artisan empowerment plan for tea-making skills. Through "artisan school training + artisan apprentice cultivation", we aim to cultivate rural artisans who are engaged in tea-making in Meitan County, Zunyi, Guizhou, and Mingshan District, Ya'an, Sichuan, striving to support the tea industry.

Case: Supporting rural revitalization and helping tea farmers increase income

Qingkou Tea, under the theme of "Supporting rural revitalization and helping tea farmers to increase income", went deep into tea-producing regions to carry out agricultural procurement activities. By purchasing tea at prices above market rates and providing guidance and training on planting and processing techniques, the initiative has helped tea farmers improve tea quality and yield, leading to increased income and improved living conditions. This effort has also built a stable and high-quality raw material supply chain for the Company, creating a two-way value loop that benefits both farmers and the Company.

2. Public Welfare and Charity

We actively fulfill our social responsibilities by supporting the development of public welfare initiatives, giving back to society through concrete actions and continuously expanding the depth and breadth of our public service efforts. In 2024, ChaPanda made donations amounting to RMB4.5938 million to the public welfare, and the length of time contributed to the public welfare was 2,448 hours and the length of time contributed to employee volunteer service was 1,792 hours.

Contributing to Social Development

- Playgrounds for Rural Children Project:** A portion of the proceeds from orders completed on the Meituan platform is allocated to fund the construction of multi-functional sports fields for kindergartens in underdeveloped areas, aiming to provide rural children with a safer and more comprehensive sports environment. In 2024, the total donations exceeded RMB2 million.



- Aixiaoya Fund Girls Empowerment Project:** In collaboration with China Social Welfare Foundation, we donated a total of 1,314 menstrual health kits to elementary schools in regions such as Chongqing and Guizhou, and provided specialized course training to popularize physiological health knowledge, guide girls to embrace and care for their bodies, encourage them to break free from gender stereotypes and promote their healthy and confident growth.



- **“ChaPanda’s Aid (救這一杯)”**: In collaboration with the Guangzhou Charity Association, we launched the publicity on AED (Automated External Defibrillator) first aid knowledge and popularized the importance of AED. We donated RMB100,000 to the Guangzhou Charity Association to support the Guangzhou Bus AED Program, aiming to equip more buses with AED equipment.
- **“ChaPanda High School Class”**: In partnership with the Sichuan Youth Development Foundation, we established two “Chacha High School Classes” at Luding Secondary School and Pingwu Secondary School, offering a donation of RMB1 million to subsidize the tuition and miscellaneous fees for students in these classes throughout their three years of high school.
- **Fulfilling Rural Children’s Football Dreams**: In collaboration with Douyin, we got involved in the launch of “Love Goods” as part of a public welfare project, with the items showcased in short videos, live streams and other scenarios. When users purchase products labeled as “Love Goods”, a portion of the proceeds will be donated to the public welfare project “Fulfilling Rural Children’s Football Dreams” under China Rural Development Foundation.
- **One Foundation Warmth Kit**: The One Foundation Warmth Kit project is a public welfare initiative designed to address the living and psychological care needs of children in underdeveloped and disaster-affected areas. Numerous social organizations, volunteers, enterprises and the general public participate in the links of fundraising, packing, transportation, distribution, and visits of the One Foundation Warmth Kit project to safeguard the physical and mental well-being of children in difficult circumstances. The contents of the One Foundation Warmth Kits are tailored to the needs of different seasons and groups. In 2024, the Company donated a total of RMB240,000 to support this initiative.

Emergency Relief

- In July 2024: Continuous heavy rainfall in many parts of the country led to severe flooding. The New Tea Beverage Public Welfare Foundation provided support to the hardest-hit areas by distributing 800 humanitarian emergency relief kits to Chongyang County, Xianning, Hubei Province, and 1,550 rice and oil packages to Pingjiang County, Yueyang, Hunan Province, with a total of 2,350 households benefited from this aid.
- On 7 January 2025: A 6.8-magnitude earthquake struck Dingri County, Shigatse City, Tibet. The New Tea Beverage Public Welfare Foundation immediately activated its disaster preparedness funds, distributing 2,000 quilts and 672 emergency relief kits to the affected population.

Case: Giant Panda Habitat Vegetation Restoration Project of ChaPanda

Starting in February 2024, ChaPanda has partnered with the SEE Foundation to launch the giant panda habitat vegetation restoration project. Under the campaign themed “Every Cup Counts (每一杯，都算‘树’)”, the initiative aims to restore approximately 250 acres of forest within the Sichuan Daxiangling Provincial Nature Reserve over three years. From March 29 to 31, the project engaged users through activities such as DIY tree-shaped cup sleeves and themed store renovations using recycled materials. This initiative is designed to contribute to giant panda conservation, meet user expectations, improve the living conditions for giant pandas and other wildlife, and raise public awareness and support for environmental protection efforts.



Picture: SEE Foundation Donation Certificate and offline promotional food truck and milk tea cup planters of ChaPanda

Case: Recycling milk tea cups to create recyclable brand merchandise

We partnered with Meituan’s Green Hills Initiative and iRecycle to launch the “ChaPanda Tea Cups Recycling (茶茶好杯•返航新生)” campaign. During the campaign, over 90,000 users from more than 30 cities got involved and completed over 20,000 environmental and carbon reduction tasks, achieved over 45,000 recycling actions, collected more than 5 tons of milk tea cups and reduced carbon emissions by over 4,513 kilograms. The recycled cups were repurposed to create practical, eco-friendly and reusable brand merchandise, truly achieving a closed-loop system.

In addition, ChaPanda’s Franchisee Committee has carried out diversified public welfare activities in more than ten provinces, including Hunan, Jiangxi, Guizhou, Jiangsu, Zhejiang, Henan, Shandong, Sichuan, Guangxi, Shanghai, Chongqing, Hubei and Beijing, covering a wide range of themes such as aiding farmers during the Spring Festival travel season, caring for children, showing appreciation to sanitation workers, supporting firefighters, assisting during the college entrance examination, paying tribute on Nurses’ Day, flood relief and disaster response, caring for veterans, and showing concern for delivery riders. These initiatives have mobilized over 300 volunteers, with donations and material contributions totaling more than RMB70,000, benefiting over 6,000 individuals, including sanitation workers, parents of examinees, nurses, veterans, and people in disaster-affected areas.

APPENDIX 1 KEY PERFORMANCE TABLES

Environmental Performance

Indicator		2024	Unit
Waste Gas ¹	Nitrogen Oxides emissions	12,407.07	tonne
	Sulphur Oxides emissions	196.83	tonne
	Particulate matter	913.86	tonne
Emissions	Total discharge of hazardous waste ²	9.11	tonne
	Intensity of hazardous waste discharge	3.93	kg/person
	Total discharge of non-hazardous waste	86.24	tonne
	Intensity of non-hazardous waste discharge	0.04	tonne/person
	Wastewater discharge	2,523.44	tonne
	Intensity of wastewater discharge	1.09	tonne/person
	Total energy consumption ³	1,499.10	tonne of standard coal
Use of Resources	Total energy consumption intensity	0.65	tonne of standard coal/person
	Electricity consumption	11,944,726.49	kWh
	Electricity consumption intensity	5,150.81	kWh/person
	Natural gas consumption	12,413.00	m ³
	Water consumption	43,865.84	m ³
	Water consumption intensity	18.92	m ³ /person
	Gasoline consumption	8,824	liter
	Diesel consumption	4,168.95	liter
	Packaging material consumption	1,457.30	tonne
	Packaging material consumption intensity	0.63	tonne/person
Greenhouse Gas	Greenhouse gas emissions ⁴ (Scope 1+ Scope 2)	6,467.61	tCO ₂ e
	Greenhouse gas emissions intensity (Scope 1+ Scope 2)	2.79	tCO ₂ e/person
	Direct (Scope 1) greenhouse gas emissions	58.07	tCO ₂ e
	Direct (Scope 1) greenhouse gas emission intensity	0.03	tCO ₂ e/person
	Indirect (Scope 2) greenhouse gas emissions	6,409.54	tCO ₂ e
	Indirect (Scope 2) greenhouse gas emission intensity	2.76	tCO ₂ e/person

¹ ChaPanda's statistics for waste gas emission originated from the driving of business vehicles, and the calculation method refers to the Reporting Guidance on Environmental KPIs of the Stock Exchange.

² Hazardous waste statistics of ChaPanda include waste active carbon, waste contaminants, waste toner cartridges and waste dry batteries.

³ Total energy consumption of ChaPanda mainly includes the energy consumption generated by the gasoline consumption and diesel consumption of its official vehicles and the use of purchased electricity and natural gas, and the energy consumption coefficient refers to the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

⁴ Direct (Scope 1) greenhouse gas emission emissions of ChaPanda derive from the diesel consumption and natural gas consumption in the daily use of official vehicles, and indirect (Scope 2) greenhouse gas emission emissions mainly derive from the use of purchased electricity. The relevant data refers to the Hong Kong Stock Exchange's Reporting Guidance on Environmental KPIs, in which the greenhouse gas emission factor of purchased electricity refers to the average emission factor of the national grid in 2022.

Social Performance

Indicator			2024	Unit
Employment	Total number of employees		2,319	person
	Number of employees by employee type	Full time	2,319	person
		Part time	0	person
	Number of employees by gender	Male	1,166	person
		Female	1,153	person
	Number of employees by age	Aged 30 or below	1,353	person
		Aged 31-50	955	person
		Aged above 50	11	person
	Number of employees by region	Mainland China	2,319	person
		Hong Kong, Macao and Taiwan and overseas regions	0	person
	Employee turnover rate		35.83	%
	Employee turnover rate by gender	Male	40.57	%
		Female	31.05	%
	Employee turnover rate by age	Aged 30 or below	38.88	%
		Aged 31-50	31.52	%
		Aged above 50	36.36	%
	Employee turnover rate by region	Mainland China	35.83	%
		Hong Kong, Macao and Taiwan and overseas regions	0	%
Health and Safety	Number of work-related fatalities		0	person
	Lost days due to work injury		0	day
Development and Training ⁵	Total number of employees trained		3,955	person-time
	Total training hours		29,925.35	hour
	Employee training coverage rate		70.85	%
	The percentage of employees trained by gender	Male	49.06	%
		Female	50.94	%
	The percentage of employees trained by employee category	Senior management	2.07	%
		Middle management	32.62	%
		Junior employees	65.31	%
	The average training hours of employees by gender	Male	8.46	hour
		Female	7.42	hour
	The average training hours of employees by employee type	Senior management	5.75	hour
		Middle management	9.60	hour
		Junior employees	6.86	hour

⁵ Employee training statistics cover all trained employees in 2024, including those who have vacated.

Indicator			2024	Unit
Product Quality and Service	Product recalls for safety and health reasons		0	case
	Number of products and service related complaints ⁶		44,006	case
	Customer complaint handling rate		100	%
	Number of intellectual property rights		885	case
Supplier Management	Total number of suppliers		339	company
	Number of suppliers by region	Mainland China	338	company
		Hong Kong, Macao, Taiwan and overseas regions	1	company
Anti-corruption	Number of corruption litigation cases concluded		2	case
	Number of directors participating in anti-fraud training		6	person
	Number of directors participating in anti-fraud training		1	hour
	Number of employees participating in anti-fraud training		704	person-time
	Average hours of employees participating in anti-fraud training		1.1	hour
Community Investment ⁷	Amount donated to public welfare		459.38	RMB10,000
	Length of time contributed to public welfare		2,448	hour
	Length of time contributed to employee volunteer service		1,792	hour

⁶ Statistics of products and service related complaints cover regional and headquarters data.

⁷ The calculation scope of community Investment data includes franchised stores

APPENDIX 2 CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE

Main categories, levels, General Disclosures and KPIs		Pages
A. Environmental		
A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	18
	A1.1 The types of emissions and respective emissions data	48
	A1.2 [Deleted on 1 January 2025]	/
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	48
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	48
	A1.5 Description of emissions target(s) set and steps taken to achieve them	19
A2: Use of Resources	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	18-19
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	19-20
	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)	20, 48
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	21, 48
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	19
	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	21
A3: Environment and Natural Resources	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	21, 48
	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources	19-21
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	19-21

Main categories, levels, General Disclosures and KPIs		Pages
B. Social		
Employment and Labour Practices		
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.	35
	B1.1 Total workforce by gender, employment type (for example, full or part-time), age group and geographical region	35, 49
	B1.2 Employee turnover rate by gender, age group and geographical region	35, 49
B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	38
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	38, 49
	B2.2 Lost days due to work injury	38, 49
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	38
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	38-41
	B3.1 The percentage of employees trained by gender and employee type (e.g. senior management, middle management).	41, 49
	B3.2 The average training hours of employees by gender and employee type.	41, 49
B4: Labour 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 labour.	35
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	35
	B4.2 Description of steps taken to eliminate such practices when discovered.	35
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	41-42
	B5.1 Number of suppliers by region	50
	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.	41-42
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	41-42
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	41-42

Main categories, levels, General Disclosures and KPIs		Pages
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.	24-32
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	26
	B6.2 Number of products and service related complaints received and how they are dealt with.	31-32
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	34
	B6.4 Description of quality assurance process and recall procedures.	26
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	32
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.	9-10
	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.	9-10
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	9-10
	B7.3 Description of anti-corruption training provided to directors and staff.	11
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.	43-47
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	50
	B8.2 Resources contributed (e.g. money or time) to the focus area.	50

Climate-Related Disclosure Indicator	Description	Corresponding Location of this Report or Other Explanation
Governance	Disclosure of information about the governance bodies or individuals responsible for monitoring climate-related risks and opportunities, including details on how to assess their skill competency, the methods and frequency of identifying risks and opportunities, the considerations in the decision-making processes, monitoring goal setting, tracking progress towards these goals, and the roles of management in these processes, as well as their integration with internal functions	16
Strategy – Business Models and Value Chains	Description of the current and anticipated impacts of climate-related risks and opportunities on the business model and value chain, and pointing out the concentrated areas	16-17
Strategy – Strategy and Decision Making	Disclosure of strategies and plans to address risks and opportunities, including changes to the business model, adaptation or mitigation efforts, transformation plans, methods to achieve climate goals, and resource allocation plans for actions and progress on these initiatives	16-17
Strategy – Financial Position, Financial performance and Cash Flows	Disclosure of the current and expected financial impact of climate-related risks and opportunities on the issuer's financial position, financial performance and cash flows during the Reporting Period	16-17
Strategy – Resilience	Disclosure of the Company's circumstances requiring an assessment of its climate resilience and a climate-related scenario analysis	16-17
Risk Management	Disclosure of the processes and related policies used to identify, assess, prioritize and monitor climate-related risks and opportunities, as well as the integration of climate-related risks and opportunities into the Company's overall risk management processes	17
Indicators and Targets – Greenhouse Gas Emissions	Disclosure of the absolute total greenhouse gas emissions of Scope 1, Scope 2 and Scope 3 during the reporting period, indicating the measurement method, input data, assumptions and reasons for changes, and disclosure of location-based emissions of Scope 2 and categories included in Scope 3	17
Indicators and Targets – Climate-related Goals	Disclosure of both qualitative and quantitative climate-related targets, including indicators, objectives, scope of application, time period, base period, phased targets, types of targets, and connections to international agreements; disclosure of the method of setting audit objectives, monitoring progress indicators, and analyzing performance trends related to the targets; for greenhouse gas emission targets, an explanation of the covered gases, emission scopes, and targets of total amount or net amount	17



茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.

四川百茶百道實業股份有限公司