

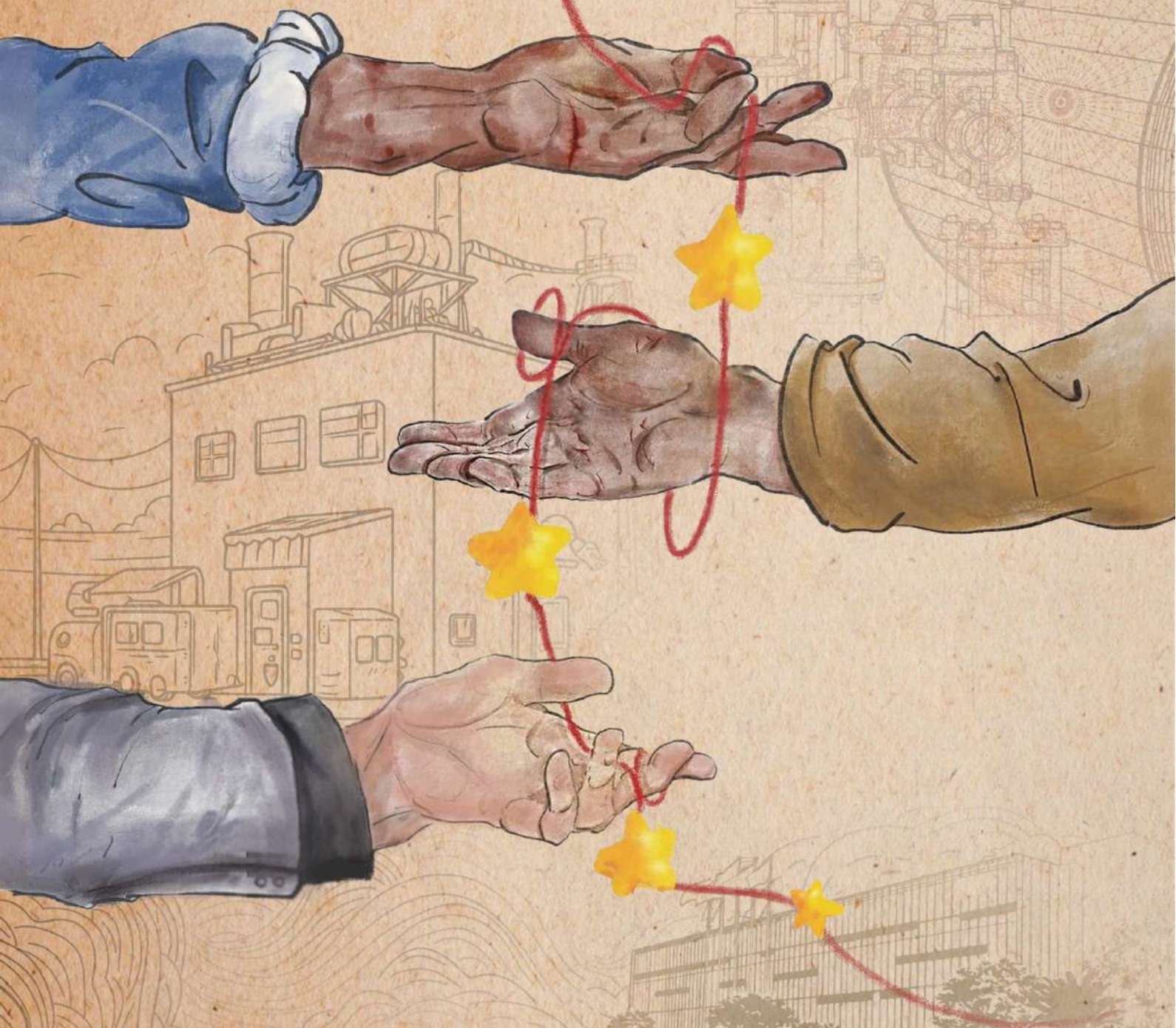


**China Yurun Food Group Limited**

**中國雨潤食品集團有限公司**

(Incorporated in Bermuda with limited liability)

Stock Code: 1068



**ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT 2024**



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# ABOUT THE REPORT







# 1. ABOUT THIS REPORT

## BASIS OF PREPARATION

This is the ninth Environmental, Social and Governance ("ESG") Report (the "Report") issued by China Yurun Food Group Limited ("Yurun Food" or the "Company") and its subsidiaries (collectively referred to as the "Group" or "we"). The purpose of this Report is to report the Group's ESG strategies and management performance and enhance communication with stakeholders. In order to gain a comprehensive view of the Group's ESG performance, this Report should be read in conjunction with the Annual Report 2024 of China Yurun Food Group Limited (in particular the "Corporate Governance Report" contained therein).

This Report was prepared in accordance with the mandatory disclosure requirements and "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("SEHK"). This Report was prepared in adherence to the reporting principles of materiality, quantitative, balance and consistency. Appendix 2 of this Report provides detailed information about the content index of the ESG Reporting Guide for readers' reference.

The reporting principles complied by the Company in the preparation of this Report are as follows:

### Materiality

The Group determines material issues relevant to the Group through materiality assessment. The materiality assessment process includes inviting stakeholders to prioritise ESG issues, verifying the material issues by the board of directors of the Company (the "Board"), etc. For details of the materiality assessment process, please refer to the section headed "Materiality Assessment" of this Report.

### Quantitative

In order to fully assess the Group's ESG performance during the Reporting Period (as defined below), the Group disclosed the applicable quantitative key performance indicators ("KPIs") referred to in the ESG Reporting Guide and set out the standards, methodologies, assumptions, and references used for the calculation of the quantitative KPIs, including the sources of the key conversion factors.

### Consistency

Unless otherwise specified, the methodologies used in this Report are consistent to allow readers to make meaningful comparisons of the Group's ESG data.

### Balance

This Report adheres to the principles of neutrality and comprehensiveness, presenting the Group's ESG performance in an impartial and objective manner. It aims to avoid unduly influencing readers' decision-making or omitting significant information.

## 1. ABOUT THIS REPORT

### REPORTING SCOPE

During the Reporting Period, there was no significant change in the nature of the Group's principal activities. The reporting scope of this Report is consistent with that of the Annual Report 2024 of China Yurun Food Group Limited, which covers the Group. Unless otherwise specified, this Report covers the Group's businesses that are under the Group's control and have significant environmental and social impacts, including the production and sales of a wide variety of raw pork (chilled pork and frozen pork), low temperature meat products ("LTMP") and high temperature meat products ("HTMP") with a particular focus on pork products.

Unless otherwise specified, this Report covers the period from 1 January 2024 to 31 December 2024 (the "Reporting Period").

### RESPONSE TO THE REPORT

You are welcome to provide feedback on the Group's ESG performance and this Report by email.

Email: [ir@yurun.com.hk](mailto:ir@yurun.com.hk)







# MESSAGE FROM THE BOARD





## 2. MESSAGE FROM THE BOARD

"Food is of paramount importance to people, and food safety must always come first". Food safety is a critical concern tied to public well-being, and the belief that "You trust because we care" has been the foundational business philosophy of Yurun Food since its establishment. The Group consistently places social interests ahead of corporate interests, actively fulfils its corporate social responsibilities, and incorporates these values into its business management strategies to build a trustworthy and beloved brand among consumers.

Yurun Food deeply understands that product quality is the cornerstone of sustainable business development. We have established stringent internal quality control systems covering all aspects of operations, including procurement, production, sales, and logistics, to ensure that every product meets the highest standards of quality and safety. Through these comprehensive management measures, the Group has earned a strong reputation in the market for food safety and high-quality products. Looking ahead, we will continue to increase our investment in quality inspection and testing to ensure that all products comply with national regulatory requirements. We remain committed to providing consumers with safe, reliable, delicious, and healthy meat products. At the same time, we will further strengthen communication and collaboration with national and local quality supervision agencies, actively aligning with regulatory requirements and guidelines to ensure our product quality continues to meet national standards and maintain our leading position in the industry.

In terms of sustainability, Yurun Food continues to enhance its ESG governance framework and is committed to advancing ESG initiatives with high standards. We have established an ESG working group, led by the Vice President and composed of senior management from subsidiaries across the Group, to fully support the Board in coordinating and overseeing ESG-related matters. The working group is responsible for formulating ESG management policies and strategies, identifying and assessing ESG-related issues and

risks, and regularly reporting significant ESG matters to the Board. Aligned with our sustainability strategy, we conduct annual ESG materiality assessment and integrate the results into the our corporate strategic planning to ensure effective management and enhancement of significant ESG initiatives. The Board plays a central role in setting and managing ESG objectives and overseeing their implementation and outcomes. During the Reporting Period, the Group conducted a comprehensive review and disclosure of its environmental targets, ensuring transparency in progress and made timely adjustments to action plans. These efforts not only enhance our environmental benefits but also lay a solid foundation for achieving sustainability goals. This Report comprehensively discloses the progress and achievements of Yurun Food's ESG initiatives in 2024. The information disclosed primarily originates from the Group's internal documents and statistical data. The Board has reviewed and approved this Report, assumes full responsibility for the Group's environmental and social strategies and reporting, and has taken necessary steps to ensure the reliability, accuracy, objectivity, and completeness of the disclosed information.

Looking forward, as Yurun Food continues to upgrade its brand, we will remain committed to producing high-quality food products with sincerity and pragmatism, delivering better consumption experience to our consumers. Guided by innovation and responsibility, we aim to create greater value for society while further enhancing the Group's sustainability governance standards .



# ABOUT YURUN FOOD





### 3. ABOUT YURUN FOOD

#### BUSINESS PROFILE

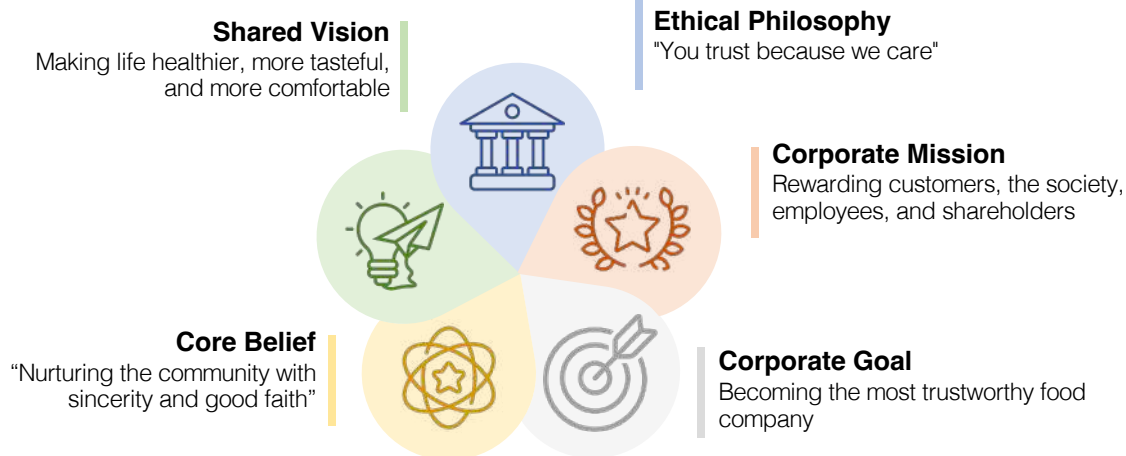
Yurun Food is one of the largest meat producers in the People's Republic of China (the "PRC"). Its products portfolio includes chilled pork, frozen pork as well as LTMP and HTMP which are predominantly pork products. The Group focuses on the business development and promotion of the "Haroulia" brand series. "Haroulia" is not only one of the first "China Time-Honoured Brands" recognised by the Ministry of Commerce but also a national-level leading enterprise in agricultural industrialisation. Its trademark has been recognised as a well-known trademark in China.

As one of the earliest enterprises in China to pioneer the development of Western-style LTMP, Yurun Food is equipped with advanced production facilities and industry-leading processing technologies. Yurun Food places great emphasis on medium- to high-end product innovation and has established a dedicated research and development

team focused on developing competitive new products that meet evolving market demands. We are committed to reinforcing our strong brand image among consumers through the delivery of safe and high-quality meat products.

The brand slogan of "low temperature maintains freshness, cold chain preserves newness, delicious taste" is the three core quality standards that Yurun Food is committed to delivering to consumers. It also represents the Group's solemn quality commitment to consumers. Yurun Food remains dedicated to craftsmanship, safeguarding food safety, enhancing consumer confidence, and fulfilling its social responsibility and moral obligations as a trusted "national brand".

#### CORPORATE VALUE





### 3. ABOUT YURUN FOOD

#### AWARDS AND HONOURS

Awards and Honours	Issuing Organization
China International Meat Industry Week – Specially Recommended Product (中國國際肉品產業週——特別推薦產品)	China Meat Association (中國肉類協會)
China International Meat Industry Week – Gold Award for "Joining Hands with Quality Ingredients, Culinary Showcase" Event* (中國國際肉品產業週——攜手好食材、烹飪美食秀活動金獎)	China Meat Association (中國肉類協會)
China International Meat Industry Week – Silver Award for "Joining Hands with Quality Ingredients, Culinary Showcase" Event* (中國國際肉品產業週——攜手好食材、烹飪美食秀活動銀獎)	China Meat Association (中國肉類協會)
China International Meat Industry Week – Selected Product* (中國國際肉品產業週——優選產品)	China Meat Association (中國肉類協會)
Integrity Enterprise (誠信企業)	Heilongjiang Bureau of China Food Safety News & Heilongjiang Food Industry Alliance (《中國食品安全報》黑龍江記者站黑龍江省食品產業聯盟)
Heilongjiang Provincial Science and Technology Award (黑龍江省科學技術獎)	Heilongjiang Provincial Government (黑龍江省人民政府)
Certificate for Specialty Products of Longjiang (龍江特產產品證明書)	Heilongjiang Food Circulation Chamber of Commerce (黑龍江省食品流通商會)
Outstanding Contribution Award for 75th Anniversary of Longjiang Time-Honoured Brands (75週年龍江老字號傑出貢獻獎)	Heilongjiang Time-Honoured Brands Association (黑龍江省老字號協會)
First-Class Award for Scientific and Technological Progress (科學技術進步一等獎)	Heilongjiang Provincial Department of Science and Technology (黑龍江省科技廳)
National Award for Special Tourism Products (全國特色旅遊商品獎)	China Tourism Association (中國旅遊協會)
Haroulia Recognised as a National-Level Green Factory (哈肉聯榮獲國家級綠色工廠)	Ministry of Industry and Information Technology of China (中國工業與資訊化部)

\* Different products receive different awards within this event.





# STAKEHOLDER COMMUNICATION







## 4. STAKEHOLDER COMMUNICATION

### COMMUNICATION CHANNELS

Stakeholders	Issues of Concern	Communication Channels	Communication Frequencies
Shareholders/ Investors	Business performance Compliance	General meeting	Annually / as needed
		Public announcement	Ad hoc
		Press release	Ad hoc
Government Departments	Food safety	On-site inspection	Ad hoc
	Environmental compliance	Online monitoring	Real-time
Food Retailers	Food safety	Questionnaire	Annually / as needed
	Market management	Food retailers trade show	Annually / as needed
		On-site audit	Annually / as needed
Consumers	Food safety	Trade fair and marketing activity	Annually / as needed
	Consumer rights	Factory tour	Annually / as needed
	Market management	Customer service hotline	As need
		Questionnaire	Annually / as needed
Suppliers	Supply chain management	On-site visit Supplier inspection	Annually / as needed
	Food safety		Annually / as needed
	Environmental compliance		
Employees	Employment and labour policy	Employee union	As needed
	Employee development and training	Employee representative symposium	Annually / as needed
	Remuneration and welfare		
Communities	Food safety	Factory tour	Annually / as needed
	Community investment	Press release	As needed
	Consumer rights	Public announcement	As needed
Media	Food safety	Media interview	As need
	Consumer rights	Press release	As need
	Environmental performance	Public announcement	As need



## 4. STAKEHOLDER COMMUNICATION

### MATERIALITY ASSESSMENT

During the Reporting Period, the Group conducted a materiality assessment in the form of a questionnaire survey. The Group invited internal and external stakeholders to participate in the materiality assessment to comprehensively understand the ESG topics of concern to stakeholders. The materiality assessment assists the Group in reviewing its ESG management direction and in formulating and improving relevant policies and measures to effectively address stakeholder concerns.

**The materiality assessment process consists of the following four major steps:**

1

#### Identification

The Group referred to domestic and international sustainability reporting guidelines and standards, issues of concern to peers, and food industry development trends to refine the Group's ESG issue database. During the Reporting Period, 29 ESG issues relevant to the Group were identified.

#### Prioritisation

The Group invited internal and external stakeholders to complete an online survey to assess the materiality of the 29 ESG issues. Internal stakeholders ranked the ESG issues based on their "Importance to Yurun Food", while external stakeholders ranked them based on their "Importance to Stakeholders". The materiality ranking was determined by combining the survey results from both internal and external stakeholders. During the Reporting Period, a total of 253 stakeholders participated in this materiality assessment.

2

3

#### Analysis

The Group analysed the survey results and constructed a materiality matrix. ESG issues that scored high on both the "Importance to Stakeholders" and "Importance to Yurun Food" dimensions were identified as material issues.

#### Verification

The Board reviewed and verified the materiality assessment results and confirmed the material ESG issues for 2024.

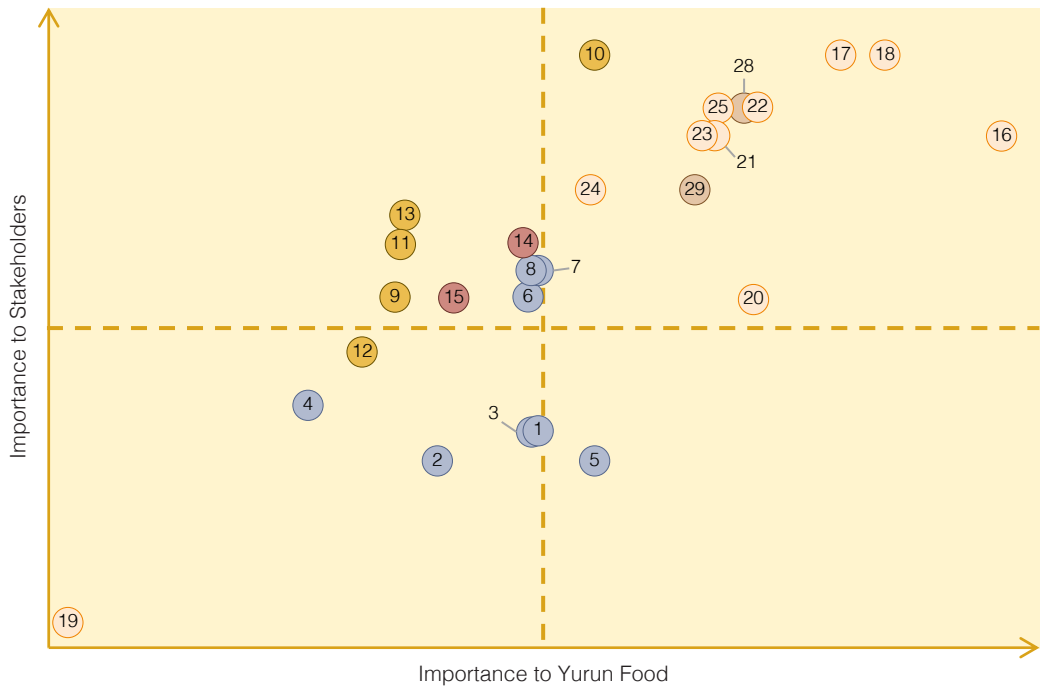
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## 4. STAKEHOLDER COMMUNICATION

2024 ESG Issues Materiality Matrix



Aspect	ESG Issue		Materiality
Environmental	1	Environment and Natural Resources	Medium
	2	Air and Greenhouse Gas Emissions	Low
	3	Use of Resources	Low
	4	Climate Change and Resilience	Low
	5	Water and Sewage Management	Medium
	6	Waste Management	Medium
	7	Packaging Material Management	High
	8	Green Operation	Medium
Employment	9	Employment Policy and Employee Benefits	Medium
	10	Employee Health and Safety	High
	11	Labour Standards	Medium
	12	Employee Training and Development	Low
	13	Diversity and Equal Opportunity	Medium
Supply Chain	14	Responsible Supply Chain Management	Medium
	15	Sustainable Raw Material	Medium



## 4. STAKEHOLDER COMMUNICATION

Aspect	ESG Issue	Materiality
Operational	16 Food Safety and Quality*	High
	17 Customer Right*	High
	18 Product Responsibility*	High
	19 Animal Rights	Low
	20 Product Nutrition	High
	21 Food Research and Development Innovation	High
	22 Intellectual Property Rights Protection*	High
	23 Responsible Marketing and Labeling	High
	24 Customer Engagement	High
	25 Privacy and Data Security	High
Social	26 Community Engagement and Contribution	Low
	27 Contribution to Industry Development	High
Corporate Governance	28 Anti-Corruption*	High
	29 Corporate Governance and Risk Management	High

\*The five most material ESG issues





# CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS





## 5. CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We integrate ESG principles and measures with the United Nations Sustainable Development Goals (UNSDGs). By aligning our business operations with sustainability issues, we aim to create long-term value for society and actively contribute to achieving specific sustainable development goals.

UNSDGs	Our ESG Principles and Measures
Business Ethics  	<ul style="list-style-type: none"> <li>Always adhere to the core business philosophy of "You trust because we care"</li> <li>Place great emphasis on combating corruption and promoting integrity, ensuring business operations are conducted with honesty and integrity</li> <li>Strictly comply with laws and regulations related to the protection of privacy and personal data</li> </ul>
Work Environment   	<ul style="list-style-type: none"> <li>Employ a diverse workforce with multicultural backgrounds, strictly avoiding any form of discrimination and adhering to a merit-based employment principle</li> <li>Provide competitive compensation and benefits packages</li> <li>Respect human rights and provide a fair, healthy, and safe working environment</li> </ul>
Food Safety and Quality   	<ul style="list-style-type: none"> <li>Continuously enhance product quality and food safety management systems, and uphold a spirit of craftsmanship to meet consumer expectations</li> <li>Adhere to the principle of "Survival by quality, development by innovation; quality determine the life of the enterprise; one-vote veto system for quality"</li> <li>Establish long-term cooperative relationships with suppliers, conducting regular quality assessments and risk management</li> </ul>
Protect the Environment  	<ul style="list-style-type: none"> <li>Integrate green concepts into the selection and construction of factory sites, as well as every aspect of business operations</li> <li>Establish an environmental management system and remain committed to ensuring operational activities comply with environmental regulations and minimise environmental impact</li> <li>Set up a dedicated department to oversee and coordinate energy management, responsible for developing and implementing energy planning and energy management systems</li> </ul>
Animal Welfare  	<ul style="list-style-type: none"> <li>Prioritise animal welfare not only out of humanitarian considerations but also to ensure product quality</li> <li>Ensure daily humane care for animals and adhere to relevant industry standards and best practices</li> </ul>





QUALITY FIRST





## 6. QUALITY FIRST

The Group has always prioritised consumer health and upholds the core philosophy of "Survival by quality, development through innovation". We regard food safety and product quality as the cornerstones of our business values. Guided by the principle that "Quality determine the life of the enterprise; one-vote veto system for quality", we have implemented a quality strategy of "Nurturing the community with sincerity and good faith; Continuous innovation, surpassing the first-class", we continuously improve our food safety and quality management systems.

Each year, the Group conducts no fewer than two food safety self-inspections to ensure that products comply with national and local regulations and standards. We work closely with suppliers to strictly monitor the entire process from raw material quality to production and processing. In addition, we focus on employee training to enhance awareness and responsibility regarding food safety. Through industry-leading quality inspections and testing, we are committed to providing consumers with safe, healthy, and delicious meat products. We will continue to pursue innovation and improvement, working hand in hand with consumers, partners, and society to achieve sustainable development.

We focus on the research and development of medium- to high-end products, supported by a professional research and development team and advanced equipment. Our flagship brand, the "Haroulian" series, is recognised as a "China Time-Honoured Brand" and a well-known Chinese trademark. Established in 1913, Haroulian is a century-old enterprise renowned for its core business in hog slaughtering, fresh product and meat product processing.

Haroulian has introduced world-class equipment, including state-of-the-art Schouten production lines from the Netherlands and advanced low-temperature processing technology. The brand is equipped with a comprehensive testing centre and quarantine team to ensure product quality and safety. As one of the first meat enterprises in China to obtain "Four-in-One" certifications, including ISO 9001, ISO 14001, ISO 22000, and OHSAS 18001, Haroulian has received numerous honours, including:

- The National Quality Evaluation Committee's Highest Award (National Silver Quality Award);
- The Top Award at the First China Food Expo;
- The Traditional Flavour Gold Award from the China Meat Association for meat production evaluation; and
- Chinese Meat Industry's Most Valuable Brands.

Furthermore, Haroulian's red sausage production process has been recognised as a "Provincial-Level Intangible Cultural Heritage" in Heilongjiang Province, showcasing its high recognition in the market and among consumers. We will continue to uphold high-quality standards and provide consumers with safe and sustainable food products.

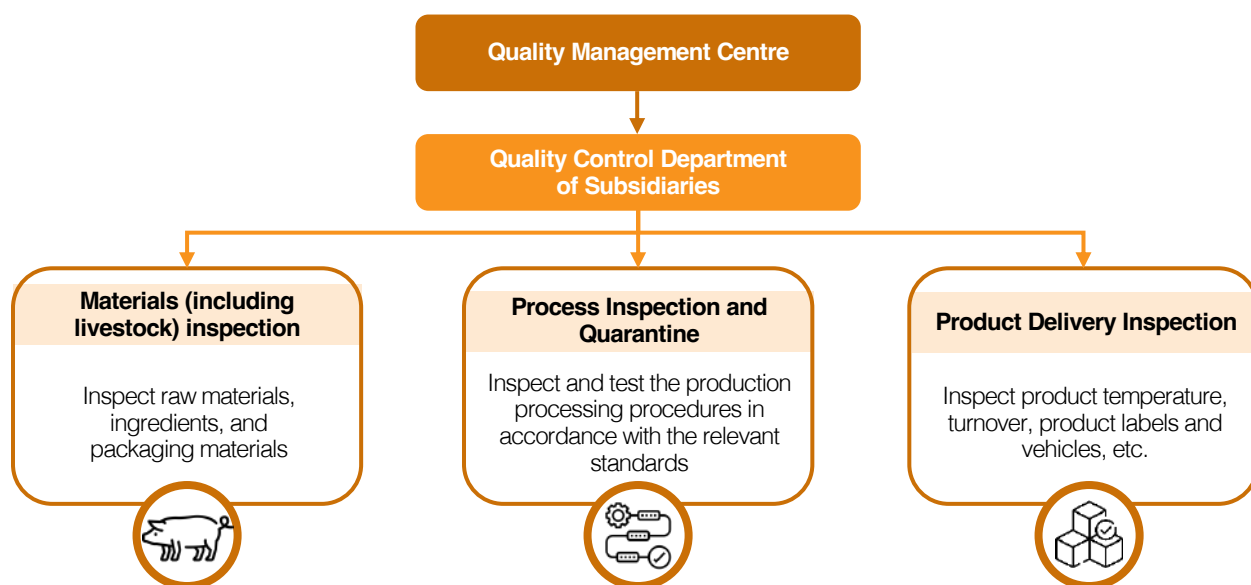


## 6. QUALITY FIRST

### MANAGEMENT SYSTEM

Ensuring food safety and product quality is a solemn commitment from Yurun Food to its consumers. We have established a comprehensive and stringent quality management system that spans the entire process, from raw material procurement and production processing to transportation, distribution, and market management. The

Group has set up a Quality Management Centre to oversee product quality and food safety management, while quality management teams of subsidiaries strictly implement the unified standards set by headquarters. A professional quality control team conducts thorough testing and monitoring to ensure that every product complies with relevant regulations and standards.



#### GB/T 19001-2016/ ISO 9001 : 2015 Quality Management Systems – Requirements 4

production plants obtained/maintained valid certifications during the Reporting Period

#### GB/T 22000-2006/ ISO22000 : 2005 ISO22000 : 2018 Food Safety Management Systems Requirements for any Organisation in The Food Chain 2

production plants obtained/maintained valid certifications during the Reporting Period

#### ISO14000 : 2015 Environmental Management Systems ISO45001 Occupational Health and Safety Management Systems 3

production plants obtained/maintained valid certifications during the Reporting Period

#### GB/T 27341-2009 Hazard Analysis and Critical Control Point (HACCP) System – General Requirement for Food Processing Plant 1

production plants obtained/maintained valid certifications during the Reporting Period

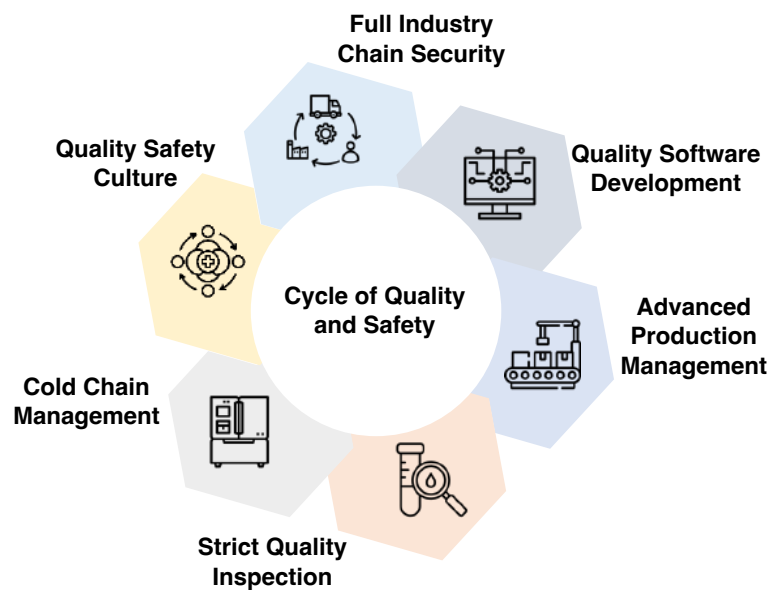
#### BRC Global Standard for Food Safety Certification 1

production plants obtained/maintained valid certifications during the Reporting Period

## 6. QUALITY FIRST

Yurun Food upholds the principles of integrating quality, safety, and environmental awareness, establishing a closed-loop quality control system that tightly connects all stages of raw material procurement, production and processing, transportation and distribution, and sales. This system enables a preventive, traceable, and secure product safety model. In the raw material procurement stage, we rigorously screen suppliers to ensure that the quality and safety of raw materials meet the required standards. We establish long-term cooperative relationships with suppliers, conduct regular quality assessments, and implement risk management measures to maintain control over product quality at the source. In production and processing, we strictly adhere to standardised operating procedures, adopt advanced equipment and processing technologies, and place strong emphasis on employee training. Through these measures, we enhance employees' quality awareness and operational skills, ensuring high standards are upheld at every stage of production.

The transportation, distribution, and sales processes ensure product circulation and service reliability. We adopt appropriate packaging and logistics measures to ensure that products are not contaminated or damaged during transportation, preserving their quality to the greatest extent possible. In the sales phase, we have established a comprehensive sales channel and after-sales service system. This ensures product compliance and stability, while enabling us to respond promptly to consumer needs. Through this comprehensive quality control system, we are committed to providing consumers with safe, reliable, and high-quality food products.







## 6. QUALITY FIRST

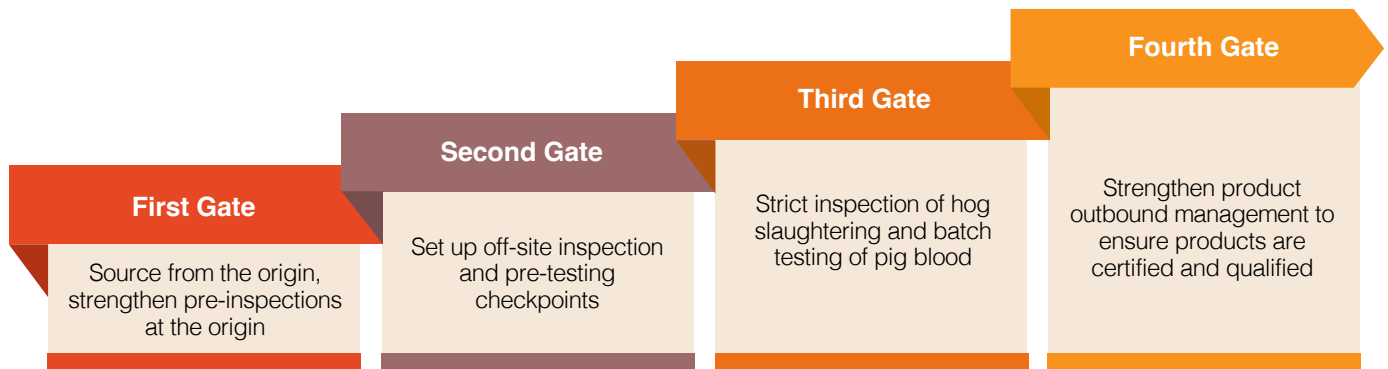
### HIGH QUALITY RAW MATERIALS

Yurun Food places great emphasis on the quality of food ingredients and strictly enforces supplier admission and raw material procurement systems, collaborating only with suppliers that meet our quality standards. We regularly conduct quality assessments and risk management for suppliers and implement rigorous inspections for all raw materials to ensure their quality and safety meet the required standards.

To ensure traceability of raw materials, we require suppliers to provide detailed information, including the origin, production and processing methods, and storage conditions. We have established a comprehensive

traceability system to track the source and flow of raw materials, preventing substandard materials from entering the production process. These measures not only safeguard food quality and safety but also help maintain our brand reputation and market competitiveness.

The Group has revised and enhanced the Operating Procedures for the Acceptance and Inspection of Raw Materials to standardise the procedures for raw material acceptance and inspection. Additionally, through the Quality Assurance Agreement for the Purchase of Hogs, we have established four key quality control checkpoints:



Given that the Group's major products are pork-related foods, it is essential to effectively address a highly contagious disease "African Swine Fever" (ASF). The Group has developed an ASF Prevention and Control Plan and established prevention and control task forces at both headquarters and subsidiary company levels. These teams are responsible for policy collection, prevention and control deployment, and implementing emergency response plans to ensure smooth operations throughout the entire process.

Our ASF prevention and control measures include:

- Properly planning facilities layout to reduce the risk of cross-contamination.
- Strengthening the management of personnel, vehicles, and materials to enhance biosecurity.
- Improving hog health management and ensuring compliant waste disposal.
- Conducting production expansion assessments and environmental monitoring to maintain a safe breeding environment.

### HYGIENE STANDARDS

Yurun Food has developed and implemented multiple hygiene policies to ensure cleanliness and safety throughout the production process:

- **Cleaning and Disinfection Management Regulations:** Clearly define responsibilities, workflows, supervision mechanisms, and inspection requirements.
- **Hygiene Management System:** Set hygiene standards, inspection frequencies, and personal hygiene requirements.
- **Cleaning and Disinfection Regulations for Hog Slaughterhouses:** Provide detailed guidelines on the scope, methods, and frequencies of cleaning and disinfection.
- **Vehicle Cleaning and Disinfection Regulations:** Ensure that both the interior and exterior of vehicles meet hygiene requirements during cleaning and disinfection.

To address the cleaning and hygiene requirements of different environments and personnel, we have adopted the following measures:

- **Production Workshops:** After work shifts, ultraviolet lamps and ozone sterilisation machines are activated to comprehensively clean equipment and tools. Regular hygiene inspections are conducted to ensure compliance with relevant policies.
- **Production Personnel:** Before entering the workshop, all personnel must wash and disinfect their hands and wear uniforms, boots, caps, and masks.
- **Vehicles:** Vehicles are cleaned, rinsed, and disinfected before loading goods.
- **Warehouses:** Freezers, refrigerated storage, and finished goods warehouses are cleaned and disinfected regularly to ensure a hygienic storage environment.





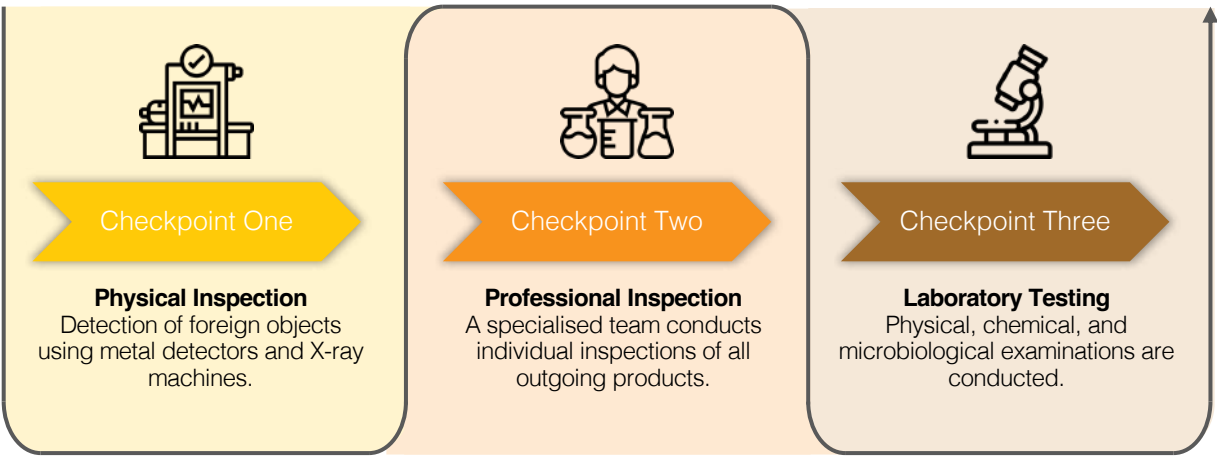
## 6. QUALITY FIRST

### PRODUCTION AND INSPECTION

Yurun Food has established food production standards that exceed national requirements, regulating production processes and product quality indicators. We have implemented self-inspection and re-inspection mechanisms to ensure a high rate of product compliance. During the Reporting Period, no non-compliant food products were identified. To monitor production processes in real time, CCTV surveillance systems have been installed in our factories allowing for prompt detection and resolution of the issues. Additionally, we have introduced internationally

advanced automated processing equipment to reduce human intervention in the production process, ensuring product consistency and stability.

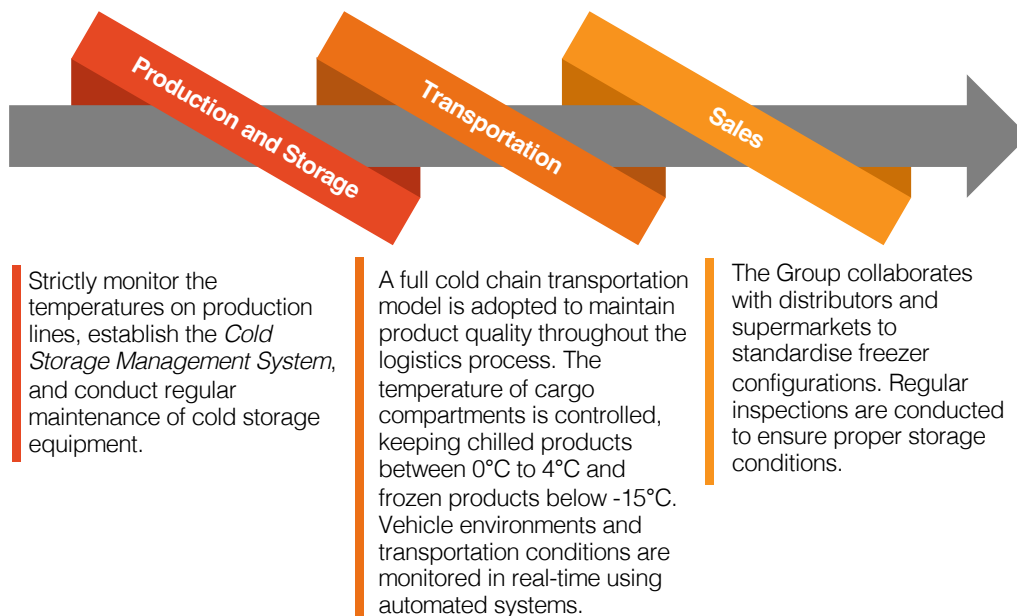
In terms of testing, we are equipped with professional testing instruments and a dedicated team responsible for analysing nutritional components, microorganisms, additives, and residues. These tests ensure that all products meet relevant standards and regulations. All products must pass the following "three checkpoints" before leaving the factory:



### COLD CHAIN MANAGEMENT

Cold chain management is critical to ensuring product quality. By integrating production, transportation, and sales processes, we maintain products at appropriate temperatures to guarantee quality, safety, and freshness. This enhances consumer confidence in our chilled pork, frozen pork, and LTMP. The Group has developed internal

policies such as the Product Transportation Management System to comprehensively manage storage and transportation processes, ensuring products maintained at suitable temperature conditions.



### FOOD SAFETY

The Group places significant emphasis on product quality management after products are launched into the market. To ensure distributors clearly understand product handling methods and related regulations, we provide detailed product handling guidelines. We have implemented the Distributor Excess Inventory Management Standards, which offer fixed-ratio support for expired or excess inventory based on market maturity and sales channel structure. Distributors are required to handle such products following specified procedures, ensuring food safety.

Additionally, we actively promote a market inspection programme. Sales representatives conduct regular inspections of distributors within their designated areas. Inspection results are reported during weekly business analysis meetings, and continuous improvements are made to address identified issues. These efforts ensure stable product quality, enabling consumers to purchase safe and reliable food products. We will continue to strengthen oversight and enhance the effectiveness of market inspections to achieve high standards of quality management throughout the sales process.





# CUSTOMER- CENTRIC





## 7. CUSTOMER-CENTRIC

Yurun Food upholds the core value of "customer-centricity", consistently prioritising customer satisfaction and needs. We gain deep insights into customer preferences, which serve as the foundation for product innovation and research and development. Our goal is to provide healthy food that meets consumer expectations for nutritional balance, natural ingredients, and additive-free products, while ensuring food quality and safety.

Through continuous innovation and improvement, we have earned the trust and support of our customers. In the future, we will strive to further enhance the quality of our food and services, ensuring that customers feel satisfied and confident when choosing Yurun Food.

### RESEARCH AND INNOVATION OF HEALTHY FOOD

The research and development team of Yurun Food focuses on advancing key food technologies, driving innovation in product development, packaging, and flavours. We collaborate with universities to explore new directions in the food industry, with technology-driven development as the core driver of the Group's transformation and upgrading.

The Group strictly adheres to the Standards for the Use of Food Additives (GB 2760-2014), ensuring that no prohibited food additives are used and no additives exceed permitted levels. During the Reporting Period, we conducted inspections of high- and low-temperature product processes and found no instances of excessive or unauthorised additive usage.

### PRODUCT LABELLING AND PROMOTION

Yurun Food complies with regulations such as the Food Labeling Management Regulations, the General Rules for Prepackaged Food Labels (GB 7718-2011), and the General Rules for Nutrition Labeling of Prepackaged Foods (GB 28050-2011). We ensure that product labels are clear, accurate, and include essential information such as production date, shelf life, ingredients, food additives, and nutritional content. To guarantee the accuracy of labelling information, we have implemented the Packaging Material Review Specification, which involves multi-level reviews of product labels. Each piece of information undergoes rigorous checks to avoid misleading consumers and ensure that the content is truthful.

In advertising and promotion, the Group adheres to laws and regulations such as the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Interim Measures for the Administration of Internet Advertising. We ensure the legality and compliance of promotional content, avoiding false advertising or intellectual property infringement. Moving forward, we will continue to enhance the compliance of labelling and promotional activities to protect consumer rights.





## 7. CUSTOMER-CENTRIC

### PRODUCT TRACEABILITY AND RECALL

Yurun Food has established a comprehensive product traceability system using electronic scanning and tracking technology to ensure "traceable sources, verifiable destinations, and accountable responsibility". In the event of a product recall, the traceability system allows us to quickly identify affected batches and initiate recall procedures through the Product Recall Management Procedure.

The recall team, consisting of senior executives, technical personnel, sales staff, and production personnel. Food recalls are categorised into three levels based on the severity of food safety risks. When necessary, we utilise media channels to promptly inform consumers. Additionally, the Group has developed a Food Safety Incident Management System and an Emergency Response Plan for Food Safety. Emergency teams at both the Group and subsidiary levels are tasked with mitigating the impact of food safety incidents. Regular drills for product traceability and recalls are conducted to ensure the effectiveness of these processes.

During the Reporting Period, our Group did not recall any products due to health or safety reasons. Moving forward, we will continue refining our traceability and recall mechanisms to ensure product quality and minimise risks.

### CONSUMER RIGHTS

Yurun Food highly values consumer feedback and complaints to safeguard consumer rights. By updating the Customer Complaint Handling Guidelines, we have clarified the responsibilities of various departments to ensure complaints are addressed promptly and effectively. Customers can submit complaints through customer service hotlines, supermarkets, or distributors. We adhere to the principles of "timely response, thorough verification, effective

communication, and proper resolution". Customer complaints are acknowledged within 24 hours, and follow-up calls are made within 48 hours of resolution to confirm outcomes. Each complaint undergoes a thorough investigation to identify root causes, implement corrective actions, and improve preventive measures to avoid recurrence.

During the Reporting Period, we received 31 product-related complaints, all of which were resolved, achieving a 100% complaint resolution rate. We will continue to enhance our complaint handling mechanisms to improve customer service quality and satisfaction.

### PRIVACY PROTECTION

The Group places great emphasis on customer privacy and strictly complies with relevant laws and regulations. We have implemented the Customer Information Confidentiality Policy, requiring all employees handling customer data to undergo training and sign confidentiality agreements. Customer data is never disclosed to third parties without explicit consent. During complaint handling, personal information such as contact details and identities are concealed, and access to data is restricted to authorised personnel only to ensure data security. The Group continues to improve privacy protection measures, to maintain customer trust and satisfaction.



# RESPONSIBLE OPERATION







## 8. RESPONSIBLE OPERATION

As a responsible company, Yurun Food earns customers' trust through reliable branding. We deeply understand the importance of responsible procurement, market management, anti-corruption, intellectual property rights, and animal welfare in the food industry. To address these critical aspects, the Group has established and implemented corresponding policies and measures. We firmly believe that operating with responsibility is the foundation for building a trustworthy brand that customers can rely on.

### RESPONSIBLE PROCUREMENT

The Group manages its supply chain with caution and responsibility, firmly believing that high-quality, safe, and reliable raw materials are the cornerstone of product quality. To this end, we have implemented various measures to establish a sustainable, transparent, and compliant supply chain system, while continuously improving our supplier management framework. By rigorously screening suppliers,

we ensure they uphold sound business ethics and meet our quality standards. Internally, the Group has developed and implemented systems such as the Procurement Contract Management System, Raw Material Acceptance and Inspection Operating Procedure, and Material Supplier Management System. We have also established mechanisms for supplier admission, performance review, evaluation, and elimination to comprehensively manage supplier resources in compliance with laws and regulations, enhancing our supply assurance capabilities.

The Group maintains close cooperation and open communication with suppliers, requiring them to adhere to the Supplier Code of Conduct. Regular evaluations and audits are conducted to ensure that suppliers' production processes and quality controls meet our requirements.

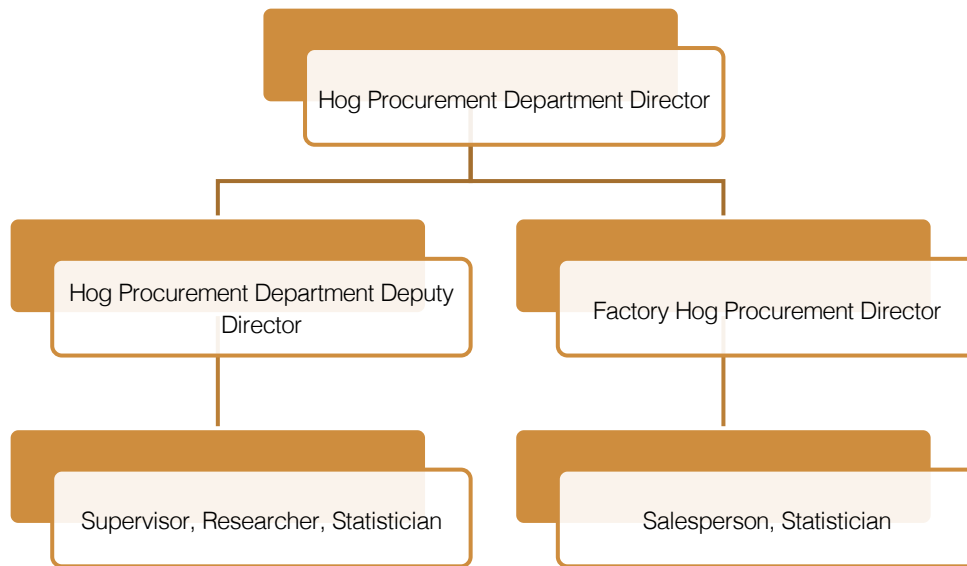
#### Supplier Management Process:

Shortlisting	Procurement personnel pre-screen suppliers based on qualifications, production capacity, safety systems, and product quality. Suppliers are required to complete the Supplier Questionnaire, which is reviewed by the supplier evaluation team.
Evaluation	The supplier evaluation team, composed of members from the procurement, quality control, legal, and technical departments, conducts rigorous evaluations using the Supplier Evaluation Form, which includes ESG performance. On-site reviews are conducted regularly. Qualified suppliers are added to the SAP system and included in the approved supplier list.
Assessment	The Group conducts annual performance evaluations of suppliers, assessing their performance in product quality, pricing, and service, and managed accordingly based on the evaluation results.
Phase Out	Suppliers unable to provide normal supply without legitimate reasons are subject to suspension of cooperation. Suppliers found to have committed violations during transactions are blacklisted and prohibited from cooperation for 12 months.

## 8. RESPONSIBLE OPERATION

To regulate procurement personnel's behaviour, the Group has established the Code of Conduct for Procurement Personnel. Additionally, specific management guidelines for live hog procurement have been developed, clearly defining departmental structures and responsibilities. This ensures standardised management, legal and compliant

procurement processes, zero tolerance for corruption, and the safeguarding of food safety. Departments collaborate and supervise one another, forming a comprehensive management mechanism that ensures clear and effective supply chain management.



The Group views supply chain safety and environmental sustainability as critical components of advancing sustainability. We place significant emphasis on the environmental and social risk performance of our suppliers and require them to comply with the Environmental Protection Law of the People's Republic of China. Suppliers

must provide pollution treatment certificates or related documents and sign commitments, including the Integrity Commitment Letter, Quality and Safety Commitment Letter, and Information Security Commitment Letter, when entering into procurement contracts.





## 8. RESPONSIBLE OPERATION

To reduce environmental impacts and promote supply chain sustainability, we have implemented the following measures:

- **New Supplier Audits:** New suppliers are rigorously assessed to ensure their quality and operational systems align with environmental principles.
- **Material Procurement:** Priority is given to sustainable materials, such as reusable packaging, to minimise waste generation.
- **Equipment Procurement:** We prioritise energy-efficient and low-emission equipment that meets environmental standards.

Additionally, we conduct periodic monitoring of public opinion regarding suppliers. If a supplier is identified as non-compliant during government inspections, cooperation with that supplier will be terminated immediately.

As of the end of the Reporting Period, the Group had a total of 245 suppliers, including 5 overseas suppliers and the remaining are domestic suppliers. The Group applies the aforementioned practices to all suppliers, aiming to establish a responsible supply chain through rigorous management processes.

### INTEGRITY AND ETHICAL OPERATION

The Group places great importance on integrity in business operations and ethical management, considering them as the foundation for sustainable development. We maintain a zero-tolerance policy against corruption and strictly comply with applicable local and international laws and regulations, including the United Nations Convention against Corruption. By improving systems, enhancing supervision, and fostering a culture of integrity, we proactively prevent and combat corruption, bribery, extortion, fraud, and money laundering, creating an atmosphere of honesty and transparency within the organisation.

We ensure the protection of the Group's interests and reputation from corrupt practices through three key approaches: (1) improving regulations and policies to establish clear roles, responsibilities, and codes of conduct that provide employees with clear guidance; (2) strengthening supervision by establishing dedicated oversight bodies and internal control mechanisms to ensure compliance and transparency in business activities; and (3) promoting a culture of integrity by cultivating ethical values among employees and emphasising the importance of honesty and ethical behaviour.

During the Reporting Period, no lawsuits related to corruption involving the Group or its employees occurred.

### Improving Systems

The Group is committed to refining its anti-corruption mechanisms and strictly enforces the Anti-Corruption Management System and the Whistleblower Management System to combat corruption. We encourage employees to report any instances of corruption and pledge to strictly protect the confidentiality of whistleblowers' information. Multiple reporting channels are available, including telephone hotlines, email, and the Group's official WeChat account, ensuring secure and convenient reporting.

## 8. RESPONSIBLE OPERATION

### Proactively Combat Corruption

We encourage employees to report any acts of corruption or bribery, and we ensure the confidentiality and provide rewards to whistleblowers. We promptly handle such incidents internally or refer them to judicial authorities for appropriate actions.



Email



Report Hotline



WeChat Public Account



Internal Reporting Channel For Employees – Dingtalk



Letters and Visit the Office

All reports are handled seriously, and once verified, disciplinary actions are taken against the individuals or departments involved based on the severity of the case. These actions may include warnings, demotions, or dismissals, and in severe cases, the matter is referred to judicial authorities for further investigation and legal proceedings.

To ensure the effective operation of the whistleblowing mechanism, we have formalised the handling of violations through the Guidelines for Accountability of Business Violations and the Guidelines for Accountability of Economic Violations, which define violations, principles of accountability, and procedural handling. Additionally, the Voluntary Reporting Policy for Economic Violations encourages individuals involved in suspected violations to voluntarily disclose their issues to seek leniency or exemption from administrative penalties.

To further strengthen anti-corruption efforts, the Group has established permanent institutions, including the Disciplinary Supervision and Charges Review Committee, the Supervision Centre, the Financial Research Office, and the Financial Management Centre. Reporting channels are openly publicised, including telephone, email, DingTalk, WeChat, and written correspondence. The Group has also developed processes for receiving, supervising, and handling anti-corruption complaints to ensure that investigations are compliant and transparent.

### Anti-Corruption Clue and Complaint Acceptance, Supervision, and Handling Process Flowchart :





## 8. RESPONSIBLE OPERATION

### Strengthening Supervision

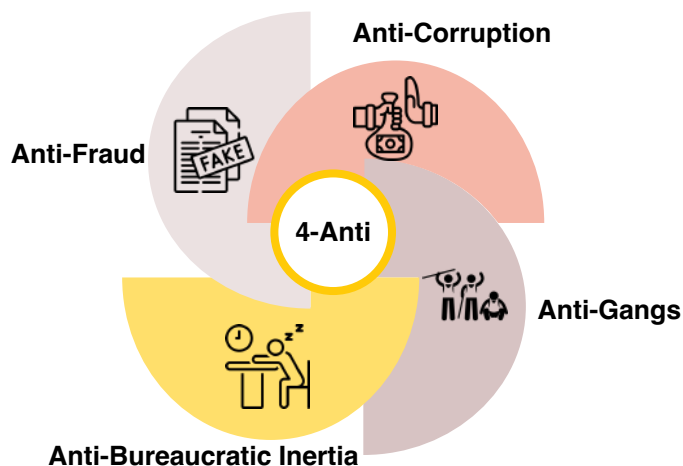
The Group enhances anti-corruption management within the supply chain by requiring suppliers to sign the Integrity Commitment before entering into cooperation. This ensures that suppliers understand the Group's code of conduct and their responsibilities, reducing the risk of corruption. We also conduct regular visits to our partners, including sales markets and raw material suppliers, to strengthen communication and reduce corruption risks. Internally, procurement personnel are managed under a hierarchical supervision principle to ensure transparent internal management and prevent corruption.

### Building Integrity Culture

To uphold a corporate culture of integrity and fairness, the Group has implemented various measures to combat corruption, gang-related activities, and fraudulent behaviour. During employee induction training, we promote anti-corruption principles and provide preventative education to enhance employees' awareness of corrupt practices. Additionally, when signing employment contracts, employees are required to sign the Employee Code of Conduct and the Integrity Commitment, which clearly outline the behavioural standards and ethical commitments they must adhere to.

Furthermore, the Group actively carry out the "4-Anti" campaigns to define corporate red lines, strictly combat and penalise corrupt practices, and foster a culture of integrity and honesty.

We regularly publish anti-corruption newsletters through internal platforms and email, disclosing cases of corruption and misconduct identified within the Group as a warning and educational tool.



During the Reporting Period, we conducted 4 anti-corruption training sessions for employees and 2 training sessions for the Board on ethical corporate management. Additionally, in routine meetings, we consistently reinforced anti-corruption principles and the importance of integrity. Through training initiatives and enforcement actions, the frequency and number of violations have been significantly reduced, and anti-corruption awareness has been strengthened. Our anti-corruption requirements apply to all employees, achieving a 100% coverage rate, ensuring that every employee fully understands the policies and measures and is aware of their responsibilities. For suppliers, we communicate anti-corruption requirements during contract signing, ensuring that a culture of integrity is embedded throughout the business chain.

## 8. RESPONSIBLE OPERATION

### INTELLECTUAL PROPERTY PROTECTION

The Group fully recognises the importance of intellectual property (“IP”) in fostering innovation and safeguarding the outcomes of creative efforts. To regulate related work, we have established a dedicated IP department and implemented internal policies, including the Trademark Management System and the Patent Management System.

In terms of trademark management, we obtain trademark registration certificates through official registration and certification processes. For major product packaging designs, we apply for design patent protection. Similarly, for new inventions and utility models, we file patent applications to ensure that our innovative outcomes are legally protected. When IP rights are nearing expiration, we promptly renew them to protect the Group’s interests. To further strengthen IP protection, we sign confidentiality agreements with employees involved in IP-related matters, clearly outlining their responsibilities in safeguarding the Group’s IP. When entering contracts with clients involving IP, we include confidentiality clauses to mitigate infringement risks. In cases

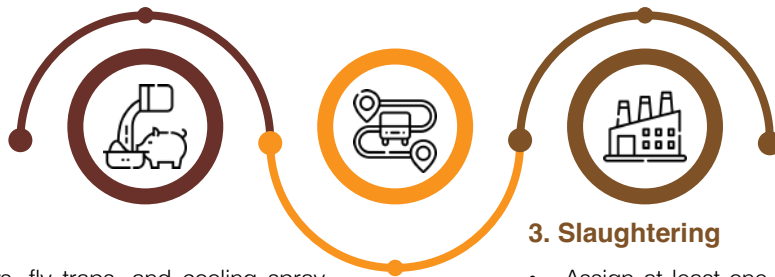
of external infringement, we safeguard our rights by collecting evidence, filing police reports, and pursuing legal action to protect our IP from violations. At the same time, we ensure that while protecting our own IP, we do not infringe upon the rights of others. The Group is committed to further strengthening its IP protection measures to ensure the effective safeguarding of legitimate IP interests.

### ANIMAL WELFARE

The Group places great emphasis on animal welfare and has established relevant management provisions to ensure humane care throughout the rearing, transportation, and slaughtering processes. Our focus on animal welfare is not only rooted in humanitarian considerations but also contributes to ensuring product quality. For key stages such as rearing, transportation, and slaughtering, we have developed specific guidelines to ensure animals receive appropriate care, adhere to industry standards, and implement best practices.

#### 2. Transportation

- Use ventilated transport vehicles to ensure proper air circulation.
- Provide specialised hog whips to reduce the risk of whip injuries during herding.
- Arrange transportation vehicles appropriately to avoid overcrowding of hogs.



#### 1. Rearing

- Install screen windows, fly traps, and cooling spray devices in hogs’ living facilities to prevent mosquito bites and provide cooling during summer.
- Ensure hogs have sufficient feed and drinking water.
- Thoroughly clean and disinfect hogs’ living facilities after each cycle to maintain a hygienic environment.

#### 3. Slaughtering

- Assign at least one trained humane slaughter technician to each slaughter stage to oversee operations or guide other personnel.
- Ensure hogs are rendered completely unconscious before slaughter to minimise pain and suffering.





## 8. RESPONSIBLE OPERATION

Our subsidiaries regularly organise humane slaughter training sessions to enhance the knowledge and skills of relevant personnel, minimising animal suffering. The Group remains committed to continually improving and strengthening its animal welfare measures, ensuring that animals are treated with care and respect in all business operations.

The Group will continue to implement guidelines related to animal welfare, ensuring humane treatment throughout our operations, and continuously refining and enhancing our standards and measures.

# EMPLOYEE WELL-BEING







## 9. EMPLOYEE WELL-BEING

Yurun Food adheres to the employment philosophy of "Respect, Develop, and Utilise People", firmly believing that talent is the cornerstone of corporate development. We are committed to providing employees with a supportive and respectful work environment, encouraging them to realise their potential and personal value. By fostering a positive team atmosphere, promoting innovative thinking and proactivity, and maintaining work-life balance, we strive to cultivate an uplifting corporate culture.

We listen to employee feedback through diverse communication channels and continuously improve our human resources management system to ensure fair opportunities and treatment. By embedding the philosophy of "Respect, Develop, and Utilise People" into daily management, we work hand-in-hand with employees to achieve both individual and corporate goals.

### EMPLOYMENT POLICIES AND MANAGEMENT

The Group is dedicated to attracting outstanding talent by offering competitive remuneration packages, comprehensive fringe benefits, career development opportunities, and diverse training programmes. We have established the Human Resources System Compilation and the Welfare Management System, which clearly outline policies on salaries, dismissal, recruitment, promotions, working hours, leave, equal opportunities, anti-discrimination, and the prevention of child labour and forced labour, ensuring the full protection of employee rights. We have developed diverse recruitment channels, including internal recruitment, external recruitment, and campus recruitment, with standardised procedures to ensure a fair and transparent recruitment process that continuously brings suitable talent into the Group.

### Diversity and Fairness

We adhere to the principle of merit-based selection, ensuring that recruitment and promotion processes are fair and transparent, and avoiding any form of discrimination. The Group follows the principle of equal pay for equal work, ensuring employees receive fair treatment regardless of gender, age, ethnicity, educational background, region, or religion. We are committed to fostering an inclusive corporate culture where employees from diverse backgrounds can fully showcase their talents and achieve common growth. We will continue to uphold fair, just, and inclusive employment standards, while continuously enhancing measures to ensure all employees work and develop in a fair, equal and respectful environment.

### Prevention of Child Labour and Forced Labour

The Group strictly complies with relevant employment laws and has implemented the Recruitment Management System, which explicitly prohibits the hiring of individuals under the age of 16. Restriction measures have been set in the personnel system to eliminate the recruitment of child labour. We also firmly oppose forced labour and strictly regulate overtime requirements to prevent employees from working under involuntary conditions. Employees must apply for overtime with their supervisors, and working hours and leave arrangements are carefully monitored to ensure reasonable work schedules and adequate rest.

In the event of violations involving child labour or forced labour, the Group will immediately cease such practices, hold accountable the responsible personnel, and impose administrative penalties for "negligence of duty". Recruitment personnel are also provided with training on recruitment policies to ensure compliance with relevant laws and prevent recurrence of such incidents.

## 9. EMPLOYEE WELL-BEING

### Compensation

To attract and retain outstanding talent, the Group provides competitive salaries and benefits. Employee compensation is adjusted based on factors such as job nature, work performance, business outcomes, consumer price index, and labour market conditions. We have also established reward mechanisms, including monthly, quarterly, and annual recognition of outstanding employees, offering public recognition and material rewards to encourage excellence. We are committed to fostering a positive work environment by implementing fair compensation and incentive mechanisms to enhance employee satisfaction, promote teamwork, and support personal growth.

### Termination of Employment

The Group's Employee Handbook outlines detailed procedures for handling resignations, including notice periods and compensation, to protect the rights of both employees and the Company. Employees are required to complete job handovers and resignation procedures to ensure business continuity.

We prioritise transparency and fairness in the resignation process, maintaining mutual respect and responsibility while ensuring smooth transitions to protect the interests of both parties.

### Employee Welfare and Benefits

The Group provides comprehensive employee benefits, including paid annual leave, statutory holidays, and various types of leave (e.g., sick leave, maternity leave, marriage leave, personal leave, bereavement leave, family visitation leave, and parental leave). Additionally, we distribute holiday gifts during traditional festivals and provide free accommodation, meal subsidies, complimentary health check-ups, and birthday gifts. These offerings are designed to fully support our employees' needs. We strictly comply with laws to contribute to social insurance

and housing provident funds for employees, as well as offer additional commercial insurance coverage for comprehensive protection. Furthermore, we have established a mutual aid fund to assist employees and their families facing difficulties, demonstrating our commitment to enhancing employees' sense of happiness and belonging.

Meanwhile, the Group has set up effective communication and feedback channels to encourage employees to voice their concerns. Regular surveys, such as executive opinion polls, performance appeals, and benefits satisfaction surveys, are conducted to understand employee feedback and address issues promptly.

### OCCUPATIONAL HEALTH AND SAFETY

The Group adheres to the principles of "safety first, prevention-oriented, and integrated governance", strictly complying with relevant laws and regulations to establish an occupational health and safety management system. A safety production leadership team and an emergency command centre have been established to formulate policies and emergency response plans. Regular safety inspections, training sessions, and emergency drills are conducted to ensure that workplaces meet safety standards. The Group continues to improve safety management practices, with multiple factories certified under the OHSAS18001 Occupational Health and Safety Management System, providing employees with a safe and stable working environment.





## 9. EMPLOYEE WELL-BEING

### Safe Production

Safe production is one of the core focuses of Yurun Food. To address potential safety risks in production, we have implemented multi-level safety measures, ranging from equipment management to employee protection, creating a comprehensive safety assurance system. We strictly comply with national laws and regulations, with occupational health protection measures outlined in the Human Resources System Compilation. The Group has established a fire safety leadership team, developed the Fire Safety Management Goal Responsibility Agreement, and regularly conducts hazard inspections, rectifications, and meetings to ensure timely elimination of safety risks. Monthly safety inspections cover the inspection of safety facilities, the use of protective equipment, and the fulfilment of employees' safety responsibilities, ensuring that factories consistently meet safety standards.

In terms of employee protection, we have developed the Code for the Distribution of Protective Equipment and the Specifications for Wearing Labour Protection Supplies.

Employees are regularly provided with protective materials such as cut-resistant gloves, work uniforms, safety boots, and other equipment. Emergency supplies, including gas masks and alarms are stored in safety cabinets. For production equipment, we have implemented standardised safety operating procedures. Through hazard analysis, risk assessments, and protective measures training, we continuously enhance employees' safety awareness and technical competencies. In terms of workplace safety, Safety signs are displayed throughout factories to maintain employee awareness of safety protocols. Equipment is subject to regular inspections, calibration, and maintenance, as outlined in specific regulations such as the Usage Regulations for Heating Equipment in the Processed Meat Department. These regulations require monthly maintenance of heating equipment, with oversight by factory management to ensure proper implementation.

### Safe Production Month

The Group places great emphasis on safe production and actively participates in the "Safe Production Month" initiative to enhance employee safety awareness and prevention capabilities, fostering a safe and stable production environment. During the campaign, we organised a series of safety training sessions and emergency drills aimed at strengthening employees' understanding of the importance of safe production and improving their ability to respond to emergencies.

We delivered safety knowledge through various formats, including safety lectures, case studies, and on-site simulations, combining these with practical skill-based training. At the same time, all departments were required to implement safety production accountability systems, integrating safety management into daily operations to establish a long-term mechanism.

Through the "Safe Production Month" activities, the Group further consolidated its safety production foundation, effectively safeguarding employee health and ensuring a safe production environment. We will continue to optimise our safety management system, instilling the concept of safe production into the hearts of employees and driving the healthy and stable development of the organisation.

During the Reporting Period, the Group recorded zero work-related injury cases.

## 9. EMPLOYEE WELL-BEING

### Safety Training and Drills

To enhance employees' safety awareness, the Group continuously improves its emergency response system and conducts regular safety training and drills tailored to different work environments. New employees are required to undergo training on production processes and safe operation procedures upon joining. Specialised roles, such as furnace operators, electricians must complete professional training and obtain relevant certifications before commencing work.

To strengthen employees' fire safety awareness, all subsidiaries are required to organise full-scale fire safety drills for all employees at least once every six months. A Fire Safety Management Responsibility Agreement ensures that fire safety measures are implemented at every management level. Additionally, the Group develops an annual emergency response drill plan, conducting at least two fire drills and ammonia-related emergency drills each year. The results of these drills are evaluated to refine and improve emergency response plans. In the event of an emergency, we promptly activate the emergency response plan, implementing swift and effective rescue measures to minimise losses. Furthermore, we provide employees with production operation and quality safety training to ensure they maintain strong safety awareness and skills during their work.

### Physical and Mental Health

Yurun Food prioritises the physical and mental well-being of employees and strives to create a harmonious working environment. Psychological counselling experts are invited to provide mental health services regularly, and counselling rooms are established to help employees alleviate stress.

To promote physical fitness and improve quality of life, the Group offers facilities such as gyms, basketball courts, and badminton courts. Activities, including sports competitions, movie screenings, and team gatherings, are organised to enrich employees' leisure lives. We firmly believe that a healthy mind and body not only improve employee productivity but also create greater value for the organisation.





## 9. EMPLOYEE WELL-BEING

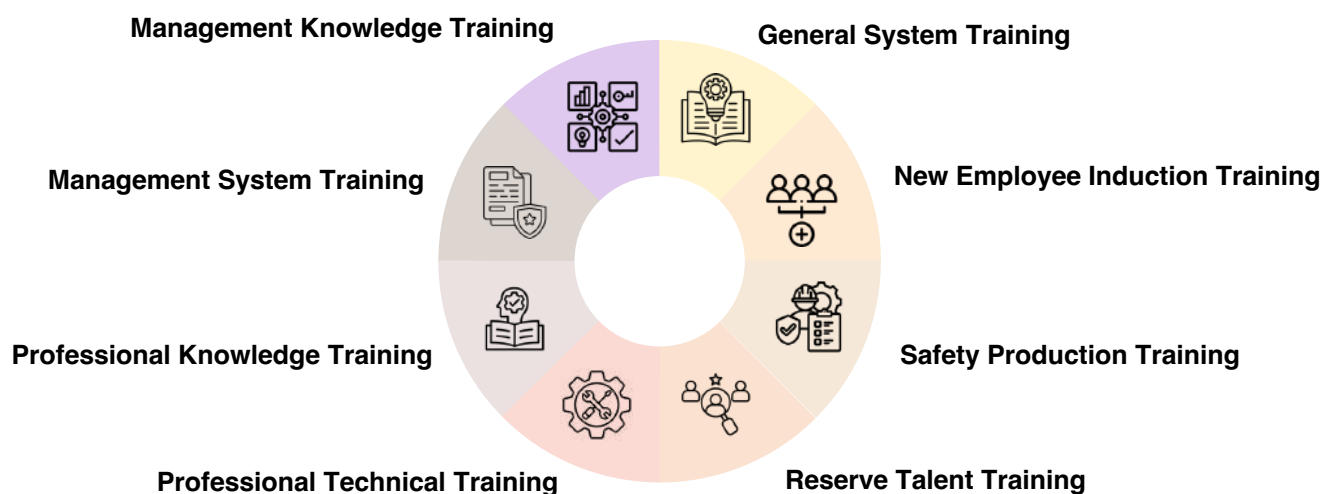
### EMPLOYEE TRAINING AND DEVELOPMENT

The Group places great emphasis on employee growth and has established a fair and transparent promotion system to provide employees with diverse development opportunities. The Human Resources System Compilation clearly outlines the promotion criteria, talent is selected through methods such as open competition, self-recommendation, and public recommendation, with employee job performance as the primary reference and ethical qualities as the minimum standard. This ensures that the promotion process is open, fair, and impartial.

to deliver comprehensive training, including induction training, on-the-job training, and senior management training. The training courses cover diverse areas such as finance, administration, marketing, and safety management. Each business unit is required to submit its training plans, which are randomly inspected by the human resources department to ensure effective implementation. We are committed to providing employees with a professional development platform, supporting them in achieving their career aspirations and fostering mutual growth between individuals and the organisation.

Additionally, the Group has established the Yurun Training Centre, which leverages both internal and external resources

Below are the various types of training programmes conducted by the Group:





# ENVIRONMENTAL PROTECTION







## 10. ENVIRONMENTAL PROTECTION

Yurun Food is committed to reducing the negative environmental impact of its production and operational activities while strictly adhering to relevant environmental laws and regulations. We actively implement a variety of environmental protection measures, including conducting environmental awareness training and case study teaching to enhance the environmental consciousness of management executives and employees, ensuring that everyone fulfils their environmental responsibilities.

To ensure shared responsibility, we control pollutants at the source by requiring employees to sign environmental commitment letters. Additionally, we have established the Environmental and Safety Incident Handling Regulations to ensure the quick and effective resolution of environmental incidents. We optimise production processes, promote energy and water conservation measures, and encourage employees to reduce energy and water waste in their daily lives and work. Furthermore, we strengthen the treatment of waste and wastewater, ensuring that emissions meet environmental standards, and actively promote clean production and clean energy technologies.

In terms of factory site selection and construction, we strictly implement environmental impact assessments and the "Three Simultaneities" system, eliminating outdated production capacities, improving technological processes, and reducing pollutant emissions. During the Reporting Period, three of the Group's subsidiaries obtained ISO14001 environmental management system certification, and we plan to apply for certifications for other subsidiaries to enhance overall environmental management standards.

We review and evaluate five key environmental objectives: atmospheric pollutant emissions, greenhouse gas emissions, waste management, energy efficiency, and water resource utilisation. Records and review reports are prepared, and progress is regularly reviewed by the Board. Based on these reviews, we will adjust objectives, improve implementation mechanisms, and develop next-step strategies to continuously promote environmental sustainability.

### EMISSION

Yurun Food has established a comprehensive environmental management system, closely monitoring updates and changes in environmental laws, regulations, and emission standards to implement corresponding measures. For example, we construct waste treatment facilities to handle wastewater, exhaust gases, and waste residues. These are treated internally and then sent for centralised disposal and emissions were monitored by third-party companies. During the Reporting Period, no cases of exceedances were found. We strictly adhere to the emission permit system and control the total amount of emissions.

To address potential pollution incidents, we have established and implemented emergency response plans and conduct regular emergency drills. In the event of a major incident, we commit to assuming responsibility, cooperating actively with relevant authorities to manage the aftermath, and minimising environmental impacts.

### Waste Generation and Disposal

The Group is dedicated to effective waste management, reducing environmental impact, and promoting resource recycling. We strictly comply with laws and regulations such as the Law on the Prevention and Control of Environmental Pollution by Solid Waste and the Control Standards for Volatile Organic Compound Emissions. A Hazardous Waste Management System has been established to clarify the responsibilities of personnel and ensure the legal and compliant disposal of waste.

## 10. ENVIRONMENTAL PROTECTION

The Group's main hazardous waste, such as sludge generated from wastewater treatment plants, is collected and treated by qualified service providers. Non-hazardous waste, including office waste, and domestic waste, is managed by environmental sanitation departments. We optimise production processes to minimise waste generation and utilise fully automated harmless treatment

equipment to process by-products into organic fertilisers. This reduces the burden on landfills and lowers greenhouse gas emissions.

During the Reporting Period, we largely achieved our waste reduction goals and implemented the following measures:

Indicator	Action Plan	Progress
Sludge <sup>1</sup> Dewatering and Solid-Liquid Separation Equipment Coverage Rate	<ul style="list-style-type: none"> <li>Install solid-liquid separation equipment to reduce sludge generation</li> <li>Regularly inspect pollution control equipment to ensure proper operation</li> </ul>	✓
Harmless Disposal Rate of Sludge <sup>1</sup>	<ul style="list-style-type: none"> <li>Sign contracts with qualified third-party institutions to ensure legal and compliant sludge treatment</li> </ul>	✓
Legitimate Disposal of Hazardous Waste	<ul style="list-style-type: none"> <li>Maintain communication with the Hazardous Waste Division under the Environmental Protection Bureau and promptly transfer waste for treatment once minimum standards are met</li> </ul>	✓
Non-hazardous Waste Recycling Rate	<ul style="list-style-type: none"> <li>Use harmless treatment equipment to process by-products generated during the production process (e.g., waste grease, fur, skin with stamps, pale soft exudative meat) into organic fertilisers</li> </ul>	✓
Garbage Sorting and Centralised Processing	<ul style="list-style-type: none"> <li>Sign contracts with solid waste disposal companies in the production area to ensure timely cleanup and recycling</li> <li>Set up categorised waste bins in the plant area for separate collection</li> </ul>	✓
Reducing the Use of Disposable Items	<ul style="list-style-type: none"> <li>Provide microwaves in cafeterias to encourage employees to bring their own lunch</li> <li>Offer disposable utensils for a fee to reduce usage in the cafeteria</li> <li>Control and minimise the use of disposable materials in production by requiring team leaders to request and monitor usage, and promote the use of reusable materials</li> </ul>	✓
Green Office	<ul style="list-style-type: none"> <li>Implement paperless office systems such as OA, SAP, BPM, and DingTalk to minimise paper usage</li> <li>Apply 6S management practices, record paper usage, and encourage double-sided printing</li> </ul>	✓

Notes :

1 : Sludge generated from wastewater treatment plants.

✓ : The related work has been completed, and the follow-up plans are progressing steadily.





## 10. ENVIRONMENTAL PROTECTION

### Sewage Discharge

The Group strictly complies with the Water Pollutant Discharge Standards for the Meat Processing Industry and other relevant regulations. We have implemented the Wastewater Inspection Management System to standardise inspection processes, sampling methods, and discharge concentration standards. Test reports are required to be completed within two hours of inspection. In cases of non-compliance, immediate corrective measures are taken. To enhance the management of wastewater treatment, we have established the Wastewater Operation Guidelines. These guidelines ensure regular updates to outdated equipment, control water usage for cleaning purposes, and promote the use of treated wastewater for recycling. This reduces the overall volume of wastewater discharged.

To mitigate odours generated during wastewater treatment, we have adopted the following measures:

- Install high-efficiency odour control equipment to purify odours.
- Optimise wastewater treatment processes to reduce odour-causing substances.
- Conduct regular maintenance of equipment to ensure proper operation.
- Improve ventilation systems to enhance airflow and minimise odour retention.

Looking ahead, we plan to further optimise wastewater treatment processes and upgrade outdated facilities at wastewater treatment plants. We aim to minimise the use of laboratory chemicals, such as sulphuric acid and caustic soda, by reducing inspection frequency. Additionally, we will

strengthen production controls to reduce the discharge of organic materials (e.g., pig blood and hair), thereby decreasing the need for chemical additives in wastewater treatment. The Group will continue to enhance waste management measures and contribute to environmental protection.

### Air Pollutants and Greenhouse Gas Emissions

The Group actively supports the national strategy of "peak carbon dioxide emissions and carbon neutrality". We strictly comply with the Comprehensive Emission Standards for Air Pollutants and local emission regulations, implementing various measures to reduce air pollution. Qualified third-party institutions are engaged to regularly monitor pollutant emissions, and we conduct routine maintenance of waste gas emission equipment to ensure stable operations. During periods of severe pollution, we implement production reductions, limitations, or suspensions as required to minimise atmospheric impact.

Boiler exhaust emissions remain the Group's primary source of air pollution. To address this, all coal-fired boilers have been replaced with gas-fired boilers, and electric transport equipment is used within factory premises to reduce emissions. With low-carbon emissions as a core goal, we continue to improve environmental performance by promoting clean production and implementing specific decarbonisation actions.

## 10. ENVIRONMENTAL PROTECTION

During the Reporting Period, we developed and implemented the following measures:

Indicator	Action Plan	Progress
Environmental Boiler Coverage Rate	<ul style="list-style-type: none"> <li>All factories have adopted gas-fired boilers</li> </ul>	✓
Reduction in Nitrogen Oxide Emissions	<ul style="list-style-type: none"> <li>Implement low-nitrogen combustion equipment in all factories</li> <li>Adopt electric transport equipment (e.g., electric forklifts) for on-site material transportation</li> </ul>	All factories use low-nitrogen combustion equipment and are gradually replacing diesel forklifts
Reduction in Odorous Gas Emissions	<ul style="list-style-type: none"> <li>Completed centralized collection and treatment of exhaust gases from the wastewater station to reduce the diffusion of foul odours</li> <li>Completed closed management of the slaughtering waiting area to reduce the diffusion of foul odours</li> </ul>	✓
Reduction in Natural Gas Consumption	<ul style="list-style-type: none"> <li>Strengthened controls in gas-powered production processes to shut down burners, flame guns, and pig head burners during employee breaks</li> <li>Ensured furnace loading meets capacity requirements to reduce natural gas usage</li> </ul>	✓
Reduction in Refrigerant Consumption	<ul style="list-style-type: none"> <li>Phased replacement of refrigerants with environmentally friendly alternatives</li> <li>During the winter season, a fresh air system is used to reduce the operation of refrigeration equipment</li> </ul>	✓
Factory Greening Rate	<ul style="list-style-type: none"> <li>Organised tree-planting activities and encouraged employees to participate in factory clean-up and greening of sewage stations</li> </ul>	✓
Accident Prevention and Handling	<ul style="list-style-type: none"> <li>Weekly equipment safety and environmental review meetings, as well as daily pre-shift meetings at project companies, have been conducted to organise training, drills, inspections, and corrective actions to prevent accidents</li> </ul>	✓

Note :

✓ : The related work has been completed, and the follow-up plans are progressing steadily.

In the coming year, we will further advance decarbonisation initiatives. Plans include utilising reclaimed water for landscape irrigation by leveraging existing submersible pumps and fire hoses to enhance water resource efficiency. Additionally, we will coordinate with the government to

purchase steam as an alternative to boiler operations, adopting a more efficient energy supply model to reduce costs and enhance operational sustainability. We will continue to prioritise clean production and environmental protection as the cornerstone of our Group's sustainable development.





# 10. ENVIRONMENTAL PROTECTION

## RESOURCE UTILISATION

### Energy Consumption

The Group's primary energy sources are natural gas and purchased electricity. We have established the Energy Management System and Energy Consumption Control Plan, which regulate the usage of water, electricity, and gas. A dedicated department oversees energy planning, management, and supervision to ensure efficient energy utilisation.

#### Electricity Reduction Measures:

- Schedule production rationally to avoid idle operation or premature activation of equipment.
- Strengthen the management of refrigeration systems by minimising the frequency of opening cold storage doors, reducing energy consumption.
- Use energy-efficient lighting fixtures and turn off lights when not in use to eliminate unnecessary energy usage.
- Leverage peak and off-peak electricity pricing by staggering the operation of high-power equipment and reducing production time.
- Summarise daily electricity usage, identify anomalies, and implement corrective actions promptly.

During the Reporting Period, we completed several action plans:

Indicator	Action Plan	Progress
Improvement of Production Plans and Processes	<ul style="list-style-type: none"><li>• Rationally control refrigeration compressor start times to avoid peak power consumption</li><li>• Centralise production and warehouse scheduling to improve energy efficiency</li></ul>	✓
Replacement of Energy-Saving Equipment	<ul style="list-style-type: none"><li>• Adopted variable frequency air compressors with appropriate power capacity to reduce energy consumption of air compressors</li></ul>	✓

Note :

✓ : The related work has been completed, and the follow-up plans are progressing steadily.

## 10. ENVIRONMENTAL PROTECTION

Indicator	Action Plan	Progress
Electricity Consumption Management	<ul style="list-style-type: none"> <li>Develop annual energy consumption plans based on the specific circumstances of each factory, conduct energy consumption statistics for all operational factories, generate energy consumption reports, track and investigate abnormal data, and urge subsidiaries to identify root causes, formulate solutions, and implement corrective measures</li> <li>Sign contracts with electricity suppliers and apply for direct electricity purchasing to reduce electricity expenses</li> </ul>	✓
Utilisation of Renewable Energy	<ul style="list-style-type: none"> <li>Gradually install solar panels for factory streetlights</li> <li>Gradually install solar panels for factory rooftops</li> <li>Actively research renewable energy policies and applications to increase the share of renewable energy in total electricity usage</li> </ul>	During the reporting period, due to limitations in basic conditions and availability, renewable energy was not used except for streetlights. However, the Group is actively formulating long-term plans to implement the use of renewable energy
Strengthening Energy Conservation Promotion and Education	<ul style="list-style-type: none"> <li>Continuously promoted energy-saving practices through bulletin boards, energy-saving slogans, and employee training to enhance awareness</li> </ul>	✓

Note :

✓ : The related work has been completed, and the follow-up plans are progressing steadily.

In the coming year, we plan to further implement energy-saving measures. These include recycling steam generated during carton production to heat the cold water in the slaughterhouse hot water tank and for slaughterhouse cleaning and sanitation, enhancing resource efficiency. Additionally, we will replace air compressors in slaughterhouses with more energy-efficient models and

upgrade facilities at wastewater treatment plants to reduce energy consumption and operational costs. Furthermore, we aim to optimise sterilisation processes by refining standards of single-pot sterilisation to reduce steam usage. By advancing energy management and technological upgrades, we aim to achieve a win-win outcome for economic and environmental benefits.





# 10. ENVIRONMENTAL PROTECTION

## Use of Water Resources

The Group primarily sources water from municipal supply networks and underground water, with the latter strictly regulated by local authorities. During the Reporting Period, the Group encountered no difficulties in obtaining suitable water sources. We strictly control water usage and have advanced the installation of water-saving equipment and reclaimed water reuse systems.

To improve water resource utilisation efficiency, we have implemented the following measures:

- Follow planned water usage and investigate abnormalities to prevent waste.
- Conduct regular inspections and maintenance of pipelines and equipment to eliminate leaks.
- Upgrade equipment to replace manual controls with automatic systems to prevent continuous water flow.
- Install water metering devices in different areas to enable refined water management.

In order to continuously improve the usage efficiency of water resources, we have formulated the following specific targets and action plans:

Indicator	Action Plan	Progress
Monitoring Water Resource Usage	<ul style="list-style-type: none"><li>• Installed water consumption metering devices to control water waste in production areas</li><li>• Strengthened inspections and maintenance of water supply systems to reduce leaks caused by improper operation</li></ul>	✓
Water Resource Recycling	<ul style="list-style-type: none"><li>• Completed the retrofitting of cooling towers by adding water pumps and installing circulation pumps</li><li>• Actively advancing the renovation of reclaimed water pipelines to achieve the reuse of water resources.</li></ul>	All cooling towers have been fully upgraded, and the water pipeline renovation initiative is being actively promoted
Improving Equipment and Processes to Reduce Water Usage	<ul style="list-style-type: none"><li>• Promoted the use of high-pressure washers to reduce water consumption during cleaning while improving efficiency</li><li>• Conducted regular inspection and cleaning of boilers to improve water resource utilisation</li></ul>	✓
Water Conservation Education Penetration Rate	<ul style="list-style-type: none"><li>• Communicated water-saving requirements during weekly and monthly meetings</li><li>• Conducted statistical analysis of water consumption across all companies, followed up on anomalies and implement corrective actions</li></ul>	✓

Note :

✓ : The related work has been completed, and the follow-up plans are progressing steadily.

We plan to further promote water recycling by replacing tap water used in filter press operations with treated wastewater. Treated wastewater will be piped to filter presses to enhance

water utilisation efficiency. The Group will continue to deepen water management measures to support the achievement of sustainability goals.

## 10. ENVIRONMENTAL PROTECTION

### Raw Materials and Packaging Materials Usage

To enhance the efficiency of raw material and packaging material usage, the Group has implemented the Cost Indicator Incentive Plan for the Meat Processed Division and adopted the following measures:

#### Enhancing Raw Material Utilisation

- Promote the use of chilled raw materials to reduce thawing losses.
- Use low-temperature thawing equipment to minimise water loss.
- Coordinate planning of cutting requirements to improve raw material utilisation rates.

#### Enhancing Packaging Material Utilisation

- Reuse plastic turnover boxes and insulated containers to reduce carton usage.
- Adjust packaging designs to increase box capacity and reduce material waste.
- Standardise packaging designs to minimise defective inventory.
- Promote the use of white film with labels as a cost-effective alternative to coloured film.

### ENVIRONMENTAL AND NATURAL RESOURCES

Yurun Food recognises that, as a food enterprise, it faces various environmental risks during production and operations. Improper handling of food-grade and industrial-grade oils, lubricants, ink solvents, as well as waste liquids generated by laboratories and equipment, may result in soil contamination. Inadequate management of sludge and pig

manure could lead to soil compaction. Furthermore, slaughter by-products such as pig blood and pig hair, if not properly collected and treated, may pollute water. Additionally, odorous gases from wastewater treatment plants and refrigerant leaks may negatively impact the atmosphere.

To effectively prevent environmental incidents, we have implemented the Production Safety and Environmental Accident Handling Regulations, which clearly define personnel responsibilities and ensure that measures are executed effectively. Several subsidiaries have also completed the filing of emergency response plans for unexpected environmental incidents and conducted environmental accident drills, further enhancing emergency response capabilities and reducing the potential impact of environmental risks on the surrounding ecosystem.

### ADDRESSING CLIMATE CHANGE

Yurun Food recognises climate change as a significant global challenge requiring collective action. As a member of China's food industry, we acknowledge our responsibility to actively participate in addressing climate change. The Group continues to identify and analyse the risks and opportunities associated with climate change, monitoring policy changes and market trends closely to develop targeted response measures.

During the Reporting Period, we identified physical risks related to climate change, such as droughts, floods, and heavy rainfall, which could affect production and operations. To enhance risk management capabilities, we developed the Specialised Emergency Response Plans for Severe Weather Conditions and the Specialised Emergency Response Plans for Heavy Pollution Days to address extreme weather events, reduce losses, and ensure stable business operations.





## 10. ENVIRONMENTAL PROTECTION

### Short-Term Measures: Responding to Extreme Weather Events

- **Raw Material Safety Stock:** Production centres have established raw material safety inventory standards based on production cycles to ensure normal operations during extreme weather conditions.
- **Strategic Inventory:** In anticipation of potential raw material price increases during extreme weather events, the Group has strategically increased inventory levels for bulk materials to mitigate the impact of price fluctuations and control production costs.
- **Transportation Emergency Plans:** The transportation department conducts advanced weather research to determine safe and reasonable transportation times, routes, and methods. Emergency plans are in place to address unforeseen issues.
- **Supply and Sales Coordination:** Factories closely monitor weather changes, prepare raw material reserves in advance, coordinate with the market, and inform customers of delivery times and product availability to maintain supply and demand stability.

### Long-Term Measures: Mitigating the Impacts of Climate Change

- **Cold Chain Transportation Assurance:** To mitigate the impact of global warming on cold chain logistics, our subsidiaries use insulated vehicles for product transportation. Electronic temperature control systems are employed to monitor and maintain appropriate temperatures throughout the transportation process, ensuring product safety.
- **Cooling Hogs' Living Facilities:** To reduce the effects of climate warming on livestock, we use ventilation fans and sprinkler systems to cool hogs' living facilities during hot weather, providing optimal environmental temperatures to protect animal health.
- **Exploring Diversified Raw Material Sources:** To address potential disruptions to raw material supply caused by climate change, the Group actively monitors industry dynamics and collaborates with universities to explore diversified raw material sources, ensuring supply chain stability.

Yurun Food integrates short- and long-term measures to reduce the impact of climate change on its operations while enhancing environmental resilience. We remain committed to adopting scientific and systematic management approaches to contribute to sustainable development and the global response to climate challenges.



# COMMUNITY CONTRIBUTION







## 11. COMMUNITY CONTRIBUTION

Yurun Food firmly believes that prosperous, healthy, and supportive communities are the foundation of sustainability. We are committed to giving back to the community and supporting local development through participation in community activities, resource donations, volunteer services, and enterprise-school collaborations. By staying true to our mission of delivering safe and healthy food to households, we aim to promote community sustainability in a broader and deeper way while fulfilling our corporate social responsibilities.

### SOCIAL WELFARE

Yurun Food actively participates in various charitable activities and donation programmes, focusing on supporting vulnerable groups and providing disaster relief. We collaborate closely with community organisations, non-governmental organisations, and government departments to implement projects that enhance social welfare and provide practical support to those in need. In addition, we prioritise poverty alleviation efforts to improve the quality of life for disadvantaged groups, contributing to the development of a fairer and more harmonious society.

### ENTERPRISE-SCHOOL COLLABORATION

The Group has long promoted enterprise-school collaboration, partnering with educational institutions to provide better educational opportunities and practical support for the younger generation. Through internship programmes and employment opportunities, we enable students to gain practical work experience and skills during their academic years, fostering capable and responsible future leaders. Collaborations with universities, vocational training organisations, and research institutions not only facilitate the exchange of knowledge and innovation but also enable the Group to attract outstanding talent, inject innovative ideas, and foster creativity. Enterprise-school collaboration serves as a bridge between businesses and educational institutions, supporting the talent development while advancing sustainable development in today's highly competitive business environment.

# 11. COMMUNITY CONTRIBUTION

## CONTRIBUTIONS TO INDUSTRY DEVELOPMENT

As an important participant in the food industry, Yurun Food is committed not only to its own growth but also to the prosperity and sustainability of the entire industry. We have established close partnerships with supply chain partners, research institutions, industry associations, and government agencies. By sharing knowledge, resources, and experiences, we work together to address industry challenges and explore innovative opportunities. We actively participate in industry forums and events, engaging with

peer companies and professionals to exchange best practices, discuss innovation trends, and drive the development of the industry. Yurun Food firmly believes that partnerships and knowledge sharing are key to achieving the industry's sustainability goals and creating greater value for society.

Industry associations we participate in:

Industry Association*	Position
China Meat Association (中國肉類協會)	Council Member
Heilongjiang Meat Association (黑龍江省肉類協會)	Vice President
Harbin Red Sausage Food Industry Association (哈爾濱市紅腸食品產業協會)	Executive Vice President
Heilongjiang Food Circulation Association (黑龍江省食品流通商會)	Vice President
Harbin Local Food Association (哈爾濱市地方食品協會)	Member
Harbin Food Industry Association (哈爾濱市食品工業協會)	Vice President

\* English names are for identification only.

Yurun Food actively participates in various industry associations. During the Reporting Period, the Group attended one meeting of the respective industry associations, bringing the total number of meetings attended to six.

These efforts aim to strengthen connections within the industry, promote resource sharing, foster collaborative development, and further advance the sustainable development of the food industry.





# PERFORMANCE INDICATORS





## 12. PERFORMANCE INDICATORS

### Annual Product Output

	Unit	2024	2023
Annual Product Output <sup>1</sup>	Tonnes	45,104	70,692

### Emissions And Wastes

	Unit	2024	2023
Air Pollutant <sup>2</sup>			
Nitrogen Oxides	Tonnes	7.15	5.93
	Tonnes / tonnes annual output	$1.59 \times 10^{-4}$	$8.39 \times 10^{-5}$
Sulphur Oxides	Tonnes	$1.70 \times 10^{-4}$	0.25
	Tonnes / tonnes annual output	$3.77 \times 10^{-9}$	$3.10 \times 10^{-6}$
Greenhouse Gas ("GHG")			
GHG (Scope 1 and Scope 2)	Tonnes CO <sub>2</sub> e	18,576	21,900
	Tonnes CO <sub>2</sub> e / tonnes annual output	0.41	0.31
Scope 1: Direct Emissions <sup>3</sup>	Tonnes CO <sub>2</sub> e	13,173	14,980
Scope 2 Indirect Emissions <sup>4</sup>	Tonnes CO <sub>2</sub>	5,403	6,920





## 12. PERFORMANCE INDICATORS

Unit		2024	2023
Wastewater			
Wastewater	Tonnes	319,378	355,005
	Tonnes / tonnes annual output	7.08	5.02
Hazardous Waste			
Waste Liquid generated from Chemical Room	Tonnes	1.35	0.96
	Tonnes / tonnes annual output	$3 \times 10^{-5}$	$1.36 \times 10^{-5}$
Non-hazardous Waste			
Total Non-hazardous Waste	Tonnes	196	233
	Tonnes / tonnes annual output	0.004	0.003
Domestic Waste	Tonnes	37	49
Food Waste	Tonnes	16	23
Sludge (Sludge generated from sewage treatment plants)	Tonnes	142	160
Waste Grease from Grease Trap	Tonnes	0.96	1.10

### Use of Resources

Unit		2024	2023
Energy			
Direct Energy	MWh	131,866	36,603
	MWh/tonnes annual output	2.92	0.52
Natural Gas	m <sup>3</sup>	2,252,559	3,377,269
	m <sup>3</sup> / tonnes annual output	49.94	47.77
Gasoline	Litres	2,495	7,795
	Litres / tonnes annual output	0.06	0.11

## 12. PERFORMANCE INDICATORS

Unit		2024	2023
Energy			
Diesel	Litres	7,981	235
	Litres / tonnes annual output	0.18	3.32×10 <sup>-3</sup>
Biomass Fuel	Tonnes	0	393
	Tonnes / tonnes annual output	0	0.01
Indirect Energy	MWh	9,736	15,586
	MWh / tonnes annual output	0.22	0.22
Purchase Electricity	MWh	9,736	15,586
Water			
Total Water Consumption	Tonnes	336,914	591,234
	Tonnes / tonnes annual output	7.47	8.36
Municipal Water	Tonnes	126,037	343,022
Underground Water	Tonnes	210,877	248,212
Packaging Material			
Total Consumption of Packaging Materials	Tonnes	1,571	2,244
	Tonnes / tonnes annual output	0.03	0.03
Paper (including carton, paper label)	Tonnes	1,167	1,732
Plastic (including plastic bag, food bag)	Tonnes	404	512





## 12. PERFORMANCE INDICATORS

### Employees

Unit		2024	2023
Number of Employees	Person	933	1,035
By Gender			
Male	Person	499	555
Female	Person	434	480
By Employment Type			
Full-time	Person	626	910
Part-time	Person	307	125
By Age Group			
≤ 30	Person	98	187
31-40	Person	285	296
41-50	Person	355	305
51-60	Person	184	232
≥ 61	Person	11	15
By Geographical Region			
Mainland China	Person	928	1,030
Hong Kong SAR, China	Person	5	5

## 12. PERFORMANCE INDICATORS

### Employee Turnover

	Unit	2024	2023
Employee Turnover Rate <sup>5</sup>	%	31.09%	26.60%
By Gender			
Male	%	28.19%	27.26%
Female	%	34.38%	25.81%
By Age Group			
≤ 30	%	39.70%	26.09%
31-40	%	18.56%	30.35%
41-50	%	24.32%	33.55%
51-60	%	44.04%	10.42%
≥ 61	%	100.00%	6.67%
By Geographical Region			
Mainland China	%	31.21%	26.74%
Hong Kong SAR, China	%	0.00%	25.00%





## 12. PERFORMANCE INDICATORS

### Training

Percentage of Employees Trained by Category <sup>6</sup>	Unit	2024	2023
Percentage of Employees Trained	%	100%	67%
By Gender			
Male	%	100%	55.95%
Female	%	100%	44.05%
By Employee Category			
Production	%	100%	64.81%
Non-production	%	100%	20.23%
Sales	%	100%	14.96%

Average Training Hours Completed per Employee <sup>7</sup>	Unit	2024	2023
Average Training Hours Completed per Employee	Hours	39.38	39.01
By Gender			
Male	Hours	39.90	39.70
Female	Hours	38.78	38.28
By Employee Category			
Production	Hours	39.73	43.73
Non-production	Hours	41.97	27.33
Sales	Hours	34.08	39.17

## 12. PERFORMANCE INDICATORS

### Safety

	Unit	2024	2023	2022
Lost Days due to Work Injury	Days	0	100	471
Number of Work-related Fatalities	Person	0	1	0
Rate of Work-related Fatalities	%	0.00%	0.07%	0.00%

### Supplier

	Unit	2024	2023
By Geographical Region			
China	Number of Suppliers	240	606
Other Regions	Number of Suppliers	5	6

### Products and Service

	Unit	2024	2023
Number of Complaints	Cases	31	41
Complaints Resolution Rate	Percentage	100%	100%

### Product Recall

	Unit	2024	2023
Percentage of Total Products Sold or Shipped Subject to Recalls for Safety and Health Reasons	Percentage	0%	0%





## 12. PERFORMANCE INDICATORS

### Anti-Corruption

	Unit	2024	2023
Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group or its employees	Cases	0	1

Notes :

1. The annual product output of the Group was used for the calculation of the intensity of environmental KPIs.
2. The calculation scope of air emissions included vehicles, stationary sources and mechanical equipment for the Reporting Period. Air emissions were calculated using the Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources and the Road and the Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial) issued by the Ministry of Ecology and Environment of the PRC.
3. The calculation scope of GHG emissions (Scope 1) includes vehicles, stationary sources, and fugitive emissions associated with the use of refrigerants. GHG emissions (Scope 1) were calculated using the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial) and the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial) issued by the National Development and Reform Commission of the PRC, and the Fifth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC).
4. The calculation scope of GHG emissions (Scope 2) during the Reporting Period includes purchased electricity. GHG emissions (Scope 2) were calculated using the 2022 national grid average emission factor of the Notice on the Management of Corporate Greenhouse Gas Emissions for Power Generation Sector for 2023-2025 issued by the Ministry of Ecology and Environment of the PRC and the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial) issued by the National Development and Reform Commission of the PRC.
5. The formula for calculating employee turnover rate: the number of employees leaving employment/ (the number of employees as of the beginning + the number of new hires) × 100%.
6. The formula for calculating the percentage of employees trained by category: the number of employees trained in the specified category/ the total number of employees trained × 100%.
7. The formula for calculating the average training hours completed per employee: the total number of training hours for employees in the specified category/ the total number of employees in the specified category as of the end of the Reporting Period.



# Appendix 1: Laws and Regulations Complied with by the Group during the Reporting Period







# Appendix 1: Laws and Regulations Complied with by the Group during the Reporting Period

Laws and Regulations that Have a Significant Impact on the Group under Various Aspects of the ESG Reporting Guide of the SEHK (including but not limited to)	The Group's Performance in the Reporting Period
Product Responsibility	
Food Safety Law of the PRC	
Animal Epidemic Prevention Law of the PRC	
Measures for the Management of Animal Epidemic Prevention	
Measures for the Examination of Animal Epidemic Prevention Requirements	
Animal Husbandry Law of the PRC	
Standardisation Law of the PRC	
Regulation on the Implementation of the Food Safety Law of the PRC	
Product Quality Law of the PRC	
Advertising Law of the PRC	
Interim Measures for the Administration of Internet Advertising	
Regulations on the Administration of Hog Slaughter	
Law of the PRC on the Protection of Consumer Rights and Interests	
Administrative Provisions on Food Labelling	
Law of the PRC on Prevention and Treatment of Infectious Diseases	
Regulation on Responses to Public Health Emergencies	
Measures for the Administration of Sampling Inspections of Food Safety	
Interim Measures for the Supervision and Administration of the Quality and Safety of Food-related Products	
	During the Reporting Period, the Group complied with the applicable laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labels, and privacy matters relating to the products and services provided and methods of redress.



## Appendix 1: Laws and Regulations Complied with by the Group during the Reporting Period

Laws and Regulations that Have a Significant Impact on the Group under Various Aspects of the ESG Reporting Guide of the SEHK (including but not limited to)	The Group's Performance in the Reporting Period
Emissions	
<i>Environmental Protection Law of the PRC</i>	<p>During the Reporting Period, the Group was in compliance with the applicable laws and regulations that have a significant impact on the Group in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>
<i>Environmental Protection Tax Law of the PRC</i>	
<i>Regulation on the Implementation of the Environmental Protection Tax Law of the PRC</i>	
<i>Law of the PRC on Prevention and Control of Water Pollution</i>	
<i>Law of the PRC on the Prevention and Control of Environment Pollution by Solid Waste</i>	
<i>Law of the PRC on the Prevention and Control of Atmospheric Pollution</i>	
<i>Law of the PRC on Prevention and Control of Pollution from Environmental Noise</i>	
<i>Cleaner Production Promotion Law of the PRC</i>	
<i>Measures for Pollutant Discharge Permitting Administration (For Trial Implementation)</i>	
<i>Measures for the Administration of Automatic Monitoring of Pollution Sources</i>	
<i>Catalogue of Industry Varieties Involving Safety Risks of Hazardous Chemicals</i>	
<i>National Catalogue of Hazardous Wastes</i>	



# Appendix 1: Laws and Regulations Complied with by the Group during the Reporting Period

Laws and Regulations that Have a Significant Impact on the Group under Various Aspects of the ESG Reporting Guide of the SEHK (including but not limited to)		The Group's Performance in the Reporting Period
Employment and Labour Practice		
Labour Law of the PRC		During the Reporting Period, the Group was in compliance with the applicable laws and regulations that have a significant impact on the Group in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labour.
Labour Contract Law of the PRC		
Law of the PRC on the Protection of Women's Rights and Interests		
Law of the PRC on the Protection of Minors		
Prohibition of Child Labour Regulation		
Social Insurance Law of the PRC		
Labour Dispute Mediation and Arbitration Law of the PRC		
Health and Safety		
Work Safety Law of the PRC		During the Reporting Period, the Group was in compliance with the applicable laws and regulations that have a significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards.
Law of the PRC on Prevention and Control of Occupational Diseases		
Anti-corruption		
Company Law of the PRC		During the Reporting Period, the Group was in compliance with the applicable laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud, and money laundering.
Tendering and Bidding Law of the PRC		
Anti-unfair Competition Law of the PRC		
Criminal Procedure Law of the PRC		
Criminal Law of the PRC		
Interim Provisions on the Prohibition of Commercial Bribery Acts		

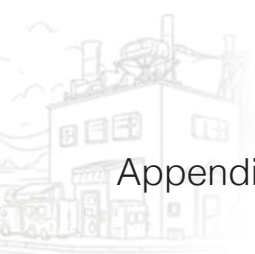
Note: The English translation of the laws and regulations are for identification only.



# Appendix 2: Index of the SEHK's ESG Reporting Guide





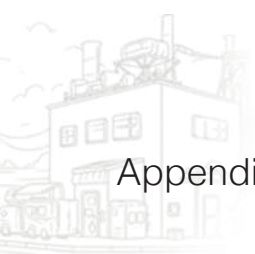


## Appendix 2: Index of the SEHK's ESG Reporting Guide

Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Aspect A1: Emissions		
General Disclosure	Information on:  (a) The policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection
KPI A1.1	The types of emissions and respective emissions data.	Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Protection
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Indicators

## Appendix 2: Index of the SEHK's ESG Reporting Guide

Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection
Aspect B1: Employment		
General Disclosure	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Well-being
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Well-being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Indicators
KPI B2.2	Lost days due to work injury.	Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Well-being



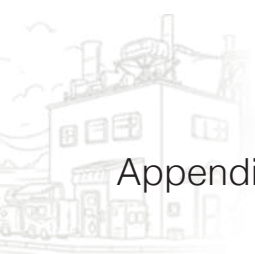
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Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Well-being
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Indicators
Aspect 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.	Employee Well-being
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Well-being
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Well-being
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Operation
KPI B5.1	Number of suppliers by geographical region.	Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Operation
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Operation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Operation



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Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer-centric
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance Indicators
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Performance Indicators, Customer-centric
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Customer-centric
KPI B6.4	Description of quality assurance process and recall procedures.	Quality First, Customer-centric
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer-centric
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	Responsible Operation
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Performance Indicators, Responsible Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Operation



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Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Contribution